# CITY OF TSHWANE

# Annual Report

## 2008 / 2009







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# EXECUTIVE MAYOR'S FOREWORD



It is my privilege to introduce the annual report for the 2008/09 financial year. I want to thank our residential and business communities and our stakeholders for their support and contributions as we passionately work towards our vision of being an African capital city of excellence that empowers its communities.

In the year under review the worst global recession in the recent past was experienced, affecting the affordability of municipal services. Although the city experienced more job losses than created in this period, we facilitated more than R800 million worth of investment, mainly in the industrial and automotive sectors. Municipal infrastructure projects worth over R2,6 billion have also created jobs in addition to the much-needed basic services and to cater for growth.

The highlight of the year was the tap-in-the-yard programme that resulted in formalised areas receiving water on tap in their areas, mainly in the northern regions.

The Department of Water and the Environment also awarded the City of Tshwane the Blue Drop score for the high quality of water provided citywide.

The further efforts of our team enabled us to complete electrification projects that benefitted over 7 900 households in areas with backlogs, over 500 households in new areas to deal with growth and 141 new businesses/industries. More than 69 km of roads and over 20 km of stormwater drainage systems were constructed to deal with backlogs and growth respectively. In respect of sanitation, over 1,2 km of lines were installed.

As we remained focused on growing a shared economy we also contributed to alleviating poverty and supporting indigent families. In the year under review over 68 900 households in formalised areas were supported through Operation Reathusa. While since 2006 to date more than 30 informal settlements were formalised, while awaiting the formalisation process, families in the remaining informal areas were provided with communal water, sanitation and waste management services.

The second Tshwane International Trade and Infrastructure Investment Conference was hosted, in which more than 1 280 delegates, 142 exhibitors, 28 international guests and 58 speakers participated. Other events that we successfully hosted include the Tshwane Tourism Festival and the Tshwane Tourism Awards. The FIFA Confederations Cup 2009 was proudly hosted in the country, and the city also proved its capability to host yet another big sporting event par excellence.

Our efforts to invest in the development of people were enhanced through the support of crèches run by community-based organisations, the library services, the environmental and primary health care services, as well as the sport and cultural programmes. The Tshwane Mayoral Aids Advisory Council was reconstituted in partnership with the Foundation for Professional Development for funding. Of our own employees, over 11 000 received training in one form or another. We are also encouraged that the City of Tshwane was rated the safest metropolitan city with regard to transport-related fatalities according to the Media Research Council report "A Profile of Fatal Injuries in South Africa – Nov 2008".

The credit rating for the City of Tshwane remains satisfactory, indicating that its finances are in good hands. According to Moody's Investors Services South Africa (Pty) Ltd, the long-term debt rating was judged at Aa3, which is defined as of a high quality and subject to low credit risk, while the short-term debt rating was judged at Prime-1, which is defined as the highest quality with a high certainty of timely payment being indicated. However, we take note that more needs to be done to respond to the negative grading of the financial outlook which has largely been influenced by the global recession. While all efforts were made to ensure that all is done to gravitate to the new financial reporting standards and to achieve an unqualified report, the qualification matter raised require attention.

As we endeavour to act responsibly in managing our environment for our own sake and for future generations, we congratulate the Public Works Division on winning first prize in the DEWA (DWAF) 2009 Water Conservation and Water Demand Management Sector Awards 2009 and the Nature Conservation Subsection on its gold medal. In this year over 12 000 trees were planted as part of our collective endeavours towards a green and clean environment.

We present this report mindful that many infrastructure, social, economic and environmental development challenges remain. However, we take pride in the difference we have made in the lives of many of our people in this financial year.

This report is also presented acknowledging the contributions of members of the Mayoral Committee, all other councillors, management and staff, strategic partners and communities themselves. We further acknowledge the support of the South African Local Government Association, as well as Government at the provincial and national spheres.

As we recommit ourselves to speed up our pace, improve communication and be more responsive, we can indeed say that today our glass is half full as we move together towards the brim.

_____
DR GM RAMOKGOPA
EXECUTIVE MAYOR

# EXECUTIVE REVIEW BY THE CITY MANAGER



In the three years since the new administration of Tshwane was appointed, the City has made consistent inroads to addressing the services backlog and is on track to meeting its five-year targets in most instances.

The historical problems existing in the City of Tshwane in 2006 are slowly been eroded away with more efficient management and greater risk management, and I am pleased to report that qualifications by the Auditor General were reduced from six in 2006/07 to two in 2007/08 and one in 2008/09.

Through the revisions of our Integrated Development Plan (IDP), as provided for in the Municipal Systems Act 32 (2000), we have persevered in achieving the targets set on five strategic objectives that drive us in our developmental efforts, as well as to ensure that we provide efficient, effective and affordable services.

Our five strategic objectives are:

- Provide quality basic services and infrastructure.
- Facilitate higher and shared economic growth and development.
- Fight poverty; build clean, healthy, safe and sustainable communities.
- Foster a participatory democracy and Batho Pele Principles through a caring, accessible and accountable service.
- Ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

The financial year under review was challenging in that the Municipality stretched its resources to discharge its statutory responsibilities despite the slowdown in the economy. We have responded well in delivering our mandate and adapted to the local government landscape that is ever changing by laying a solid foundation for delivering the needed local government services to the wider community of the City of Tshwane.

The establishment of five administrative regions for the City is bearing the envisaged fruit of making the City of Tshwane Municipality more accessible to communities. Customer front offices are now responding to 97% of complaints within 48 hours, compared to 90% a year ago. Furthermore, a Central Regional Head Office in the Sammy Marks Building was opened on 1 November 2008. This was followed by the establishment of a new customer call centre in the North, which will open in July 2009, creating new job opportunities, and dramatically increased response times in the North. A complaints procedure for all walk-in centres is also being finalised.

We have continued to improve our administrative systems and management models and as a result, we have significantly improved on the filling of vacancies. The organisational structure was aligned to deliver on our strategic priorities, which has assisted in strengthening our ability to deliver strategic projects.

Statistics show that the City of Tshwane's billing system is, as promised, being improved. In 2006 the SAP billing system, through its billing parameters, reported 15,582 billing errors. In 2007 the city witnessed a steady increase in billing errors to 15,992. However, in June 2008 the number dropped to 3,296 and has been declining since. The decrease in billing errors reported by SAP shows that the City's billing system has stabilised. Billing queries have also decreased.

The Turnkey Model for implementing projects is proving successful as witnessed by three turnkey projects for the upgrading of roads and stormwater drainage in the oldest part of Soshanguve. After completion of these projects, there will be no un-surfaced roads or roads without stormwater drainage in this area.

Of particular impact during the year was the signing of a memorandum of understanding with the Department of Public Works on the Rekgabisa Tshwane Project, which will see Central Government investing in excess of R20,6 billion in the City in terms of the Tshwane Inner City Regeneration Programme, over the next five years. The City is preparing for the additional demand on services that will arise as a result.

Preparations for the 2010 FIFA World Cup™ are also proceeding with optimal progress. The multi-billion investment into this event will leave a lasting legacy for the residents of Tshwane who will not only benefit from jobs created, but also from the impact this event will have on the city's medium and long-term developmental objectives.

For the coming year the City of Tshwane will focus on building on the successes of the city's strategic planning and investments for both communities and other shareholders. The primary focus, however, will remain firmly fixed on the eradication of the services backlogs in line with the Government's Five Year Agenda. Hence the bulk of the Capital budget will focus on infrastructure provision and maintenance.

Financial Services will continue to assist in the monitoring and implementation of the approved cash flow strategy to curtail expenditure on non-service delivery projects/ programmes until the economic meltdown improves. Robust credit control and debt management initiatives will include, among others, the implementation of a debt reduction payment incentive scheme and enhancement of the City's SMS and email invoicing systems. Cash backing for capital reserves, provisions and unspent conditional grants, will further establish the long-term financial health of the Municipality.

For more detailed accounts of activities over the past year, I invite our stakeholders to read the chapters that follow and welcome the input of each of our stakeholders to ensure that we meet the challenges and service delivery requirements for the coming financial year.

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KD KEKANA

CITY MANAGER

# REPORT OF THE AUDIT COMMITTEE

We are pleased to present the report for the financial year ended 30 June 2009 as recommended by the Local Government: Municipal Finance Management Act (MFMA) and King II.

The Audit Committee has adopted formal terms of reference as its Audit Committee Charter, and has substantially fulfilled its responsibilities for the year as set out in section 166(2) of the MFMA.
The Audit Committee comprises (six) independent members appointed by the council of the City of Tshwane; as follows:

Mr K Buthelezi (Chairperson)
Mr MG Rangongo
Ms V Pillay
Ms K Rapoo
Mr RT Tshimomola
Mr P Chwene

The committee held (six) scheduled meetings for the financial year ended 30 June 2009. We have reviewed:

- Reports from internal audit which include forensic investigations and performance reporting;
- Reports from the Auditor General for the City of Tshwane and its Municipal Entities;
- Annual Financial Statements of the City of Tshwane and its municipal entities;
- The reports on risk management presented by management;
- The reports on the Municipality's compliance with the MFMA, MSA and other relevant legislation;
- Management action plans in response to the Auditor General and Internal Audit findings;
- The effectiveness of the Internal Audit function;
- Adequacy, reliability and accuracy of financial information provided by management and other users of such information;
- The scope and results of the external audit as performed by the Auditor General, its objectivity and independence, as well as its cost effectiveness.

The deficiencies and shortcomings reported by the Auditor General in the previous financial year have been substantially addressed, resulting in the significant reduction in repeat audit findings and only one qualification which is currently being addressed by management. We have noted the concerns raised by the Auditor General in his report regarding financial and risk management and internal control; and will monitor the implementation of the management action plan which incorporates the strategic capacitation of the finance function, internal audit and risk management.

The Audit Committee has evaluated the annual report for the year ended 30 June 2009 and considers that it complies, in all material respects, with the requirements of the MFMA, MSA, and International Financial Reporting Standards. The Audit Committee therefore recommends the adoption of this annual report by the Council at its meeting on 28 January 2010.

_____
K BUTHELEZI

CHAIRPERSON: AUDIT COMMITTEE

# 1 – MUNICIPAL OVERVIEW

The City of Tshwane is the administrative capital of South Africa and is a Category A municipality. It is located in the north-western corner of Gauteng Province covering an area of 2,198 $km^2$ (almost 65 km in length and 50 km in width) - approximately 13% of the Province's surface. The city has about 10 inhabitants per hectare and its population of 2,2 million people has on average the highest educational level in the country. The projected annual growth of the population between 1996 and 2001 was 4,1%, which is substantially higher than the national average of 2,1%.

The home language profile of Tshwane indicates that the most widely used home language is Sepedi (Northern Sotho), followed by Afrikaans, Setswana, Xitsonga, isiZulu and English. These six languages account for 84.68% of the population.

Tshwane Metropolitan Municipality is divided into 76 municipal wards in 13 municipal areas, including Pretoria, Akasia, Soshanguve, Centurion, Mabopane, Atteridgeville, Ga-Rankuwa, Winterveld, Hammanskraal, Temba, Pienaarsrivier, Crocodile River and Mamelodi.

Tshwane, together with Ekurhuleni and the City of Johannesburg metropolitan municipalities, constitutes the economic power house of South Africa. Of interest is that it hosts the second largest diplomatic community in the world, after Washington DC and is endowed with the highest number of higher learning and research institutions in the country.

## 1.1 INSTITUTIONAL ARRANGEMENTS

A set of clear institutional arrangements govern matters of the City of Tshwane's authority, accountability, stewardship, leadership, direction and control. The council structure of the Municipality consists of the political appointments of Executive Mayor and elected councillors from the community, and the administrative structure consists of appointed staff members tasked with operational matters.

### 1.1.1 POLITICAL AND GOVERNANCE STRUCTURES

Tshwane's political leadership is headed by the Executive Mayor and the Mayoral Committee, which comprises ten Members of the Municipal Council (MMCs) charged with executing the political mandate with regard to the upliftment of the socio-economic conditions of residents.

The Office of the City Manager is responsible for the overall support to the Mayoral Committee System. Among others, it is responsible to ensure that Tshwane complies with legislation; it tracks procurement policies and council resolutions; manages international relations, facilitates engagement at inter-governmental level; monitors performance of departments, coordinates community outreach; and assists in elections and participatory democracy programmes.

The Office of the Speaker acts as a link between the Council and the communities. It makes use of ward, petition and other committees to promote and enhance public participation.

Ward committees are made up of elected volunteers from the community who represent different interests in the ward. Their purpose is to enhance participatory democracy in local government. The Petition Committee manages service delivery complaints from members of the community.

The Office of the Chief Whip is mainly responsible for the political operations of the Council, being responsible for discipline and regulating interactions between the Mayoral Committee (executive) and the Council (legislature) as well as between the ruling party and other parties in the Council.

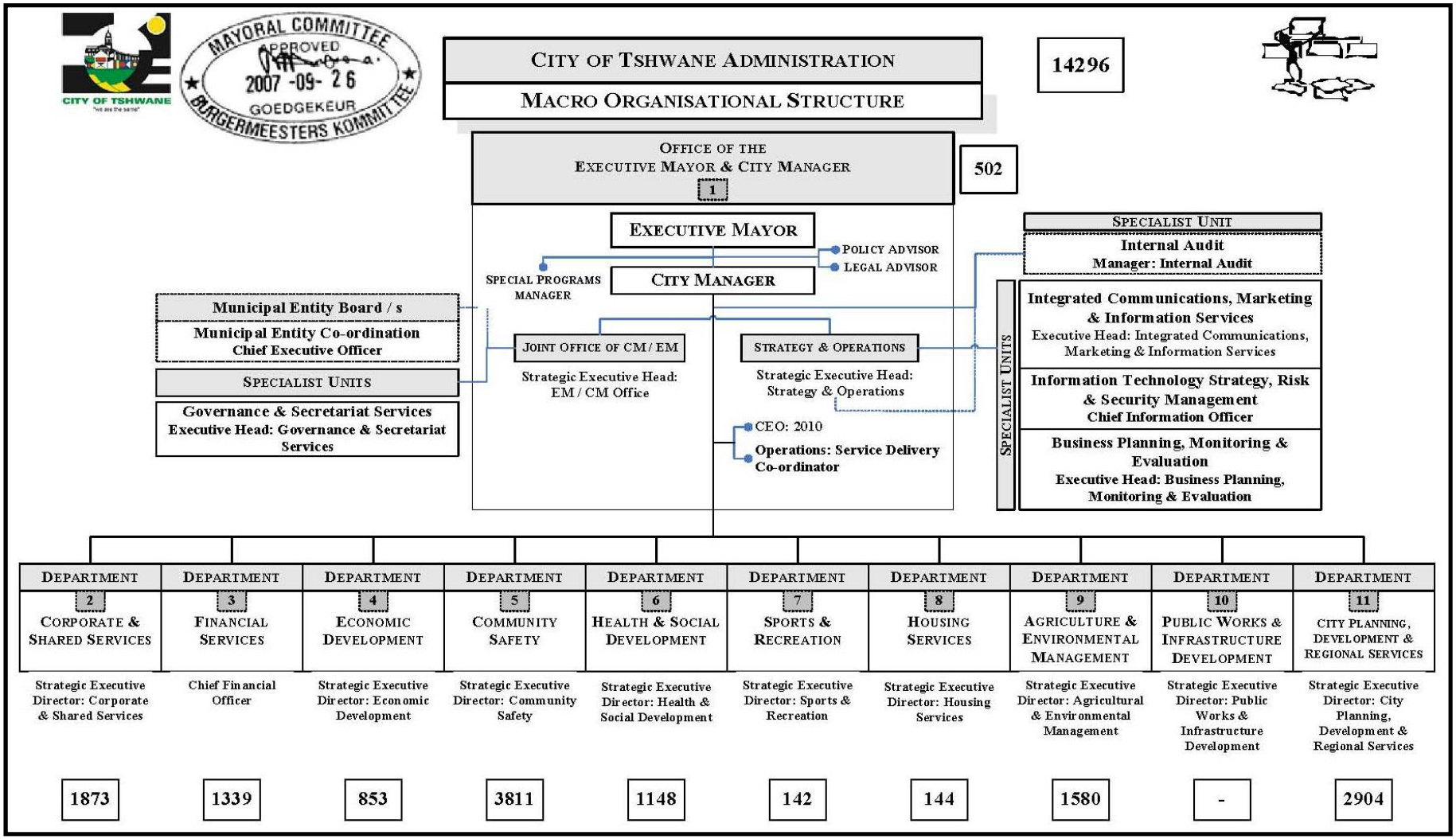
Three different levels of oversight are required, that is administrative oversight, political oversight, and independent financial oversight. Within these processes the Oversight Committee, Mayoral Committee and Audit Committee play a key role in evaluating the success of the Municipality in terms of results or non-results.

### 1.1.2 ADMINISTRATIVE AND OPERATIONAL ARRANGEMENTS

The City Manager, assisted by the Service Delivery Coordinator and Strategic Executive Directors, manage the departments of:

1. Community Safety
2. Economic Development
3. Health and Social Development
4. Corporate and Shared Services
5. Public Works and Infrastructure Development
6. Financial Services
7. City Planning Development and Regional Services
8. Housing and Sustainable Human Settlements
9. Agriculture and Environmental Management
10. Sports Recreation Arts and Culture
11. Office of the Executive Mayor and City Manager

## 1.2 ADMINISTRATIVE ORGANOGRAM



## 1.3 MISSION, VISION AND VALUES

### 1.3.1 OUR VISION

Our vision is for Tshwane to be the leading African capital city of excellence that empowers the community to prosper in a safe and healthy environment.

### 1.3.2 OUR MISSION

Our mission is to enhance the quality of life of all the people of Tshwane through a developmental system of local government and by rendering efficient, effective and affordable services.

### 1.3.3 OUR VALUE SYSTEM

Our value system was developed to guide each employee daily to realise the vision of the City of Tshwane. The value system consists of the following values:

- Community orientation: Provide and deliver sustainable services for the whole community based on needs assessments.
- Transparency: Invite and encourage public sharing and democratic participation in the Municipality's activities.
- Commitment: Focus and concentrate on the Municipality's core activities in a consistent manner.
- Business orientation: Subscribe to and comply with the best business practices.
- Accountability: Report regularly to all stakeholders regarding the Municipality's performance.
- Integrity: Conduct the Municipality's business in a fair, responsible, flexible, equitable and honest manner.
- Non-racialism and non-sexism: Promote mutual respect and non-discriminatory policies and practices.

## 1.4 INTEGRATED DEVELOPMENT PLAN

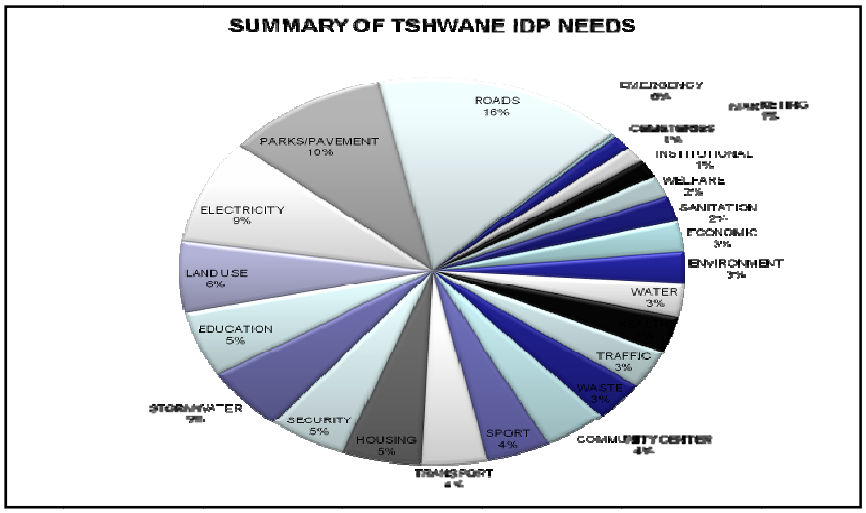
Section 35(1) of the Local Government Municipal Systems Act 32 (2000) describes the Integrated Development Plan as "(a) … the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality." The IDP, which is reviewed every year, is therefore the guiding document for the Municipality.

If the City of Tshwane is to achieve its vision, then restructuring to correct the imbalances of the past, as well as development and growth to strengthen Tshwane's economy, are essential.

To this end, various national and provincial policy imperatives were taken into consideration in the implementation of the City of Tshwane's IDP. The IDP was further informed by a number of Tshwane's own policies and strategies, including the City Development Strategy.

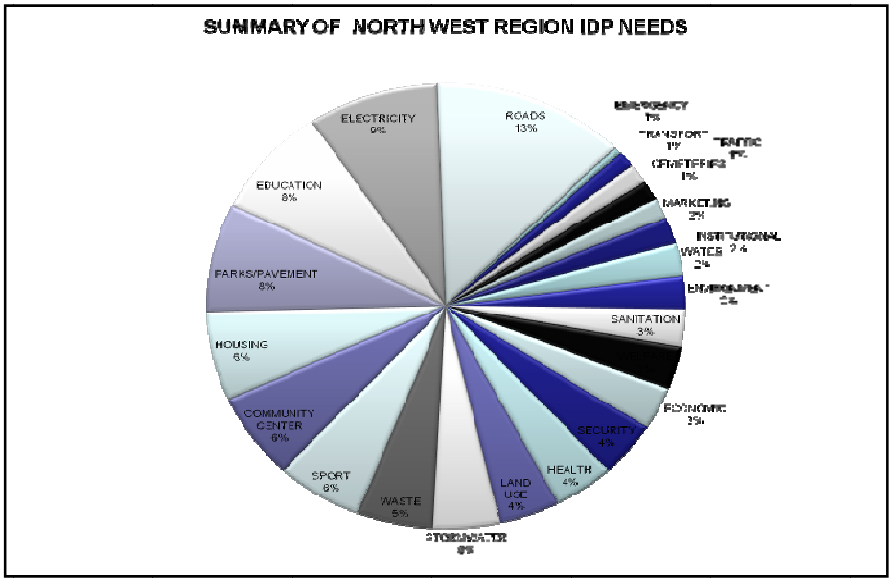
Below is a summary of community needs raised during the third review of the IDP. These needs formed the basis for the strategic intent of the City in addressing backlogs as informed by the Communities in the various regions.

### 1.4.1 SUMMARY OF TSHWANE IDP NEEDS



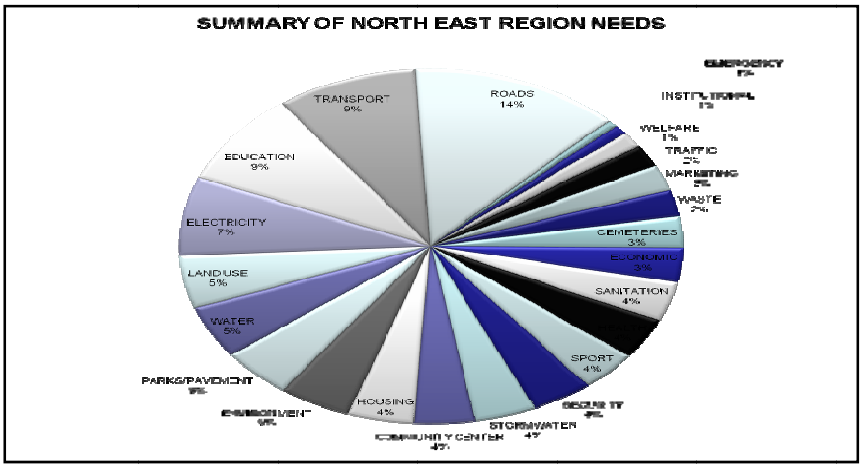

#### A NORTH WEST REGION

- In the North West Region, roads (13,1%) and electricity (8,9%) were the highest recorded needs, followed by education (8,1%) and parks and pavements (7,8%).
- Housing needs totalled (6,5%) and the need for community centres (6,3%).



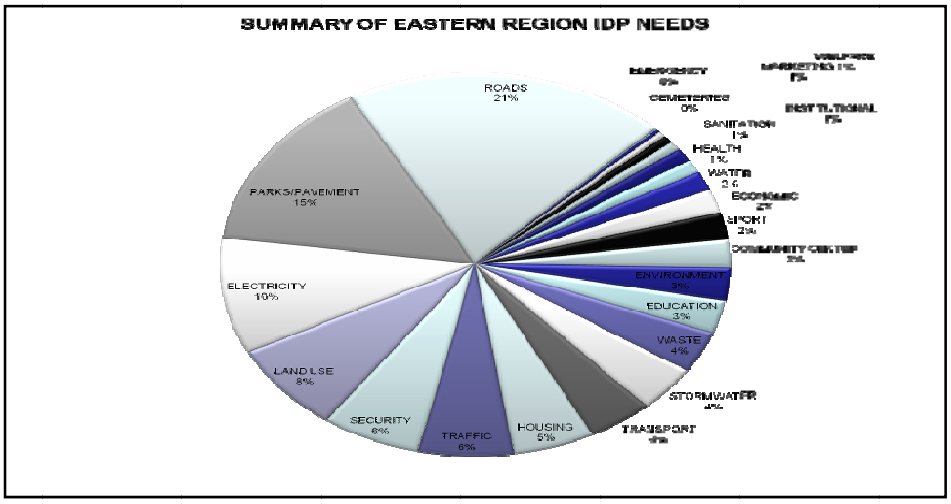

## B NORTH EAST REGION

In the North East Region, roads needs were the highest (12,9%) followed by transport (8,6%) and skills development/education (8,1%).



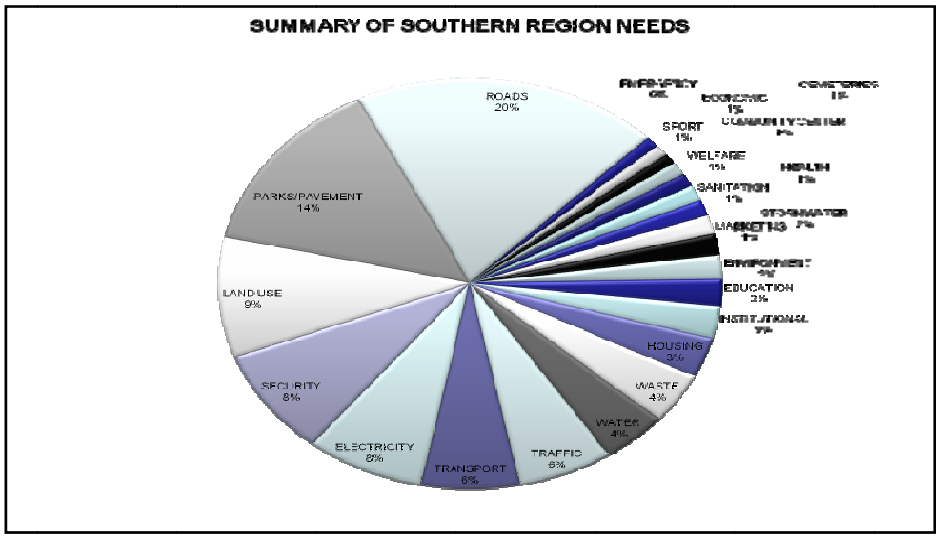
## C EASTERN REGION

- In the Eastern Region the highest needs registered were roads (19,1%), parks and pavements (13,7%) and electricity (9,1%).
- Other sectors featuring relatively strong in this region were land use (7%), security (5,8%), traffic (5,6%) and housing (4,8%).



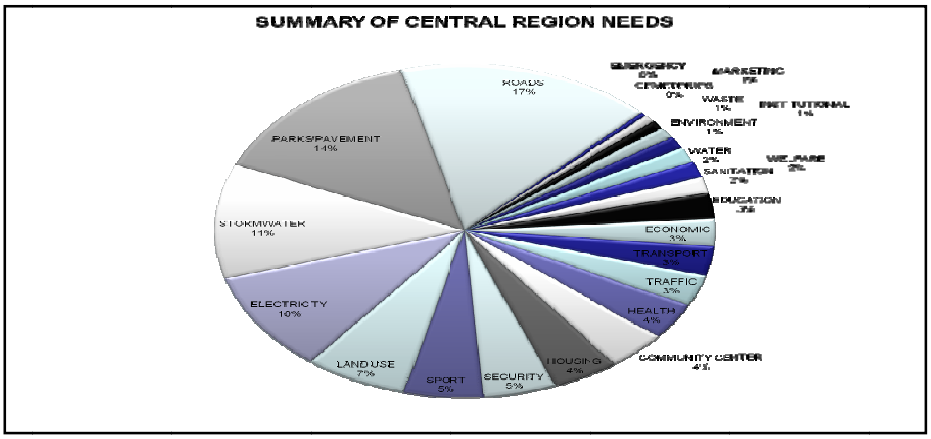

## D SOUTHERN REGION

- The areas of highest need in the Southern Region were roads (18,1%), parks/pavements (12,9%) and land use (8,7%).
- Security (7,7%), electricity (6,9%) and transport (5,8%) needs were also significant.



### E CENTRAL REGION

- The top three issues/needs in the Central Region were roads (15,6%), parks/pavements (13,5%) and stormwater (10,4%).
- Electricity (9,2%), land use (6,2%), security (4,4%) and housing (4%) also rated high.




## 1.5 STRATEGIC FOCUS AREAS FOR 08/09

The strategic focus areas of the City of Tshwane are based on a manifesto mandate, which also outlines target dates for the delivery of specific basic services to all residents. These strategic areas are:

- Providing quality basic services and developing infrastructure, with priority being given to communities in the northern parts of the city where there are huge backlogs, while ensuring that infrastructure is maintained in all other parts of the city.
- Achieving a higher economic growth rate to ensure that more sustainable jobs are created and the city becomes more globally competitive.
- Promoting thriving, sustainable communities jointly with other stakeholders through programmes that assist those vulnerable to poverty, and ensuring that the city is clean, healthy and safe.
- Fostering participatory democracy by encouraging involvement in the day-to-day affairs of the city and observing the principles of Batho Pele by providing a caring, accessible and accountable service.
- Fast-tracking the transformation of the Municipality as an institution so that it promotes good governance and high ethical standards, sustains financial viability and ensures that the staff are more representative of the society they serve, so that capacity to execute mandates is built in through a performance-based approach.

## 1.6 CHALLENGES

Below are some of the challenges that are high on the City's agenda for the coming year:

### 1.6.1 HOUSING BACKLOG

Housing remains a challenge in Tshwane, as government funding is not sufficient to meet the need. Although the City is almost on track to meeting its five-year target of 30 000, the 6 000 per annum target (spread throughout 24 areas) is by far not sufficient to meet the backlog and increased migration into these areas. Projects to convert inner city buildings and hostels into family units, such as the Community Residential Units Programme, are providing some relief and the City's target is to develop at least 240 units per annum.

### 1.6.2 EMPLOYMENT

The City of Tshwane has exceeded its five-year target of 6,819 jobs, many of these through the implementation of its capital projects programmes. Increasing access to employment remains a key to alleviating poverty. Playing their part will be the Expanded Public Works Programme, the new Poverty Reduction Advisory Committee (PORAC), which will provide expertise on integrated poverty reduction and the Human Science Research Council (HSRC), which will provide research output on poverty-reduction related areas.

### 1.6.3 SAFETY AND SECURITY

Fighting the high crime levels (seen throughout South Africa, more particularly in the high-density cities) is also high on the agenda of city officials. The following are some of the current initiatives aimed at curbing the scourge of crime:

- Increasing camera surveillance of the city centre;
- An increase in the numbers of metro police officers;
- An integrated model for by-law enforcement and the launch of a By-law Enforcement Centre (BEC) 1 October 2008; and
- The Safer City Policy, compiled with a view to mainstreaming crime prevention and community safety initiatives into the daily activities of all municipal departments and agencies. It has been informed by Tshwane's physical, social and institutional characteristics and specific crime patterns and will form the basis for future safer city strategies and plan.

# 2 - PERFORMANCE HIGHLIGHTS

The National Government vision for the status quo of 2014 is to build a society that is truly united, non-racial, non-sexist and democratic. Central to this is a single and integrated economy that benefits all. This vision is encapsulated in the following targets and objectives:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods;
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets;
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society;
- Ensure that all South Africans, especially the poor and those at risk – children youth, women, the aged and people with disabilities – are fully able to exercise their constitutional rights and enjoy the full dignity of freedom;
- Compassionate government service to the people: national, provincial and local public representatives who are accessible; and citizens who know their rights and insist on fair treatment and efficient service;
- Massively reduce health risks such as tuberculosis, diabetes, malnutrition and maternal deaths and turn the tide against HIV and Aids, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents;
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programmes that also address the social roots of criminality; and
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

The City of Tshwane adopted these targets and objectives and incorporated them into practical steps in the IDP, with the following strategic implication for the City of Tshwane in the 2008/09 financial year:

- Provide the infrastructure and stimulus to grow the economy;
- Ensure sustainable livelihoods, including creating job opportunities through the Expanded Public Works Programme (EPWP);
- Accelerate provision of services:
    - Accelerate delivery with regards the provision of water, sanitation and electricity services;
    - Build more subsidised housing;
    - Improve services in health facilities;
    - Ensure that all children have decent educational facilities and services;

- Realise Batho Pele Principles and improve services in government offices.
- Provide comprehensive Social Security;
- Reduce crime and corruption – enhance visible policing; and
- Entrench Constitutional rights and governance – improve interaction between government and the people.

## 2.1 SERVICE DELIVERY ACHIEVEMENTS

### 2.1.1 PROVIDE QUALITY BASIC SERVICES AND INFRASTRUCTURE

- Providing basic water and sanitation through the public works department.
- Increasing the rate of top structure delivery both internally and through province, so as to also fast track the electrification of occupied houses.
- Formalising the informal settlements, as well as the informal transport facilities.
- Increasing the capacity of reservoirs in view of the high pace of developments in Tshwane.
- Increase the capacity to provide bulk engineering services for growth by utilising the Bulk Services Contributions for the purpose of the contribution, in accordance with the Town planning and Townships Ordinance (Ordinance 15 of 1986).
- Ensuring better maintenance of our public transport facilities.
- Improving on the provision of non conventional energy sources.
- Providing basic water and sanitation through the public works department.

The City of Tshwane has used The National Key Performance Indicator "% of households with access to basic or higher level of electricity/water/sanitation/ solid waste removal", as an aggregated indicator for progress in this strategic objective. In this indicator the progress of the Municipality with eradication of backlogs, as well as its ability to deal in collaboration with the private sector with growth, is clearly evident.

While we will conclude the current running infrastructure projects in the city, we have identified new areas of growth which are at different stages of progress. Taking into account the areas identified in the IDP needs register and current priorities being processed, the following locations were earmarked for additional attention in the year just passed:

For areas in the North, including Soshanguve, Mabopane, Ga-Rankuwa, Hammanskraal and Winterveld, priority was placed on road and stormwater infrastructure development. Bulk infrastructure such as reservoir extensions benefited areas like Ramotse and Marokolong.

Water purification plants will be upgraded throughout the city. Infrastructure maintenance will be equitably prioritised in all areas.

The key priority areas remained focused in the strategic objectives as follows:

- Building of low cost housing;
- The provision of electricity, water and sanitation, roads and storm-water;

- Providing waste management services.

Within these strategic objectives, various key performance areas were developed to monitor implementation of these strategies as illustrated in the following table.

## A STRATEGIC FOCUS

- Provide quality electricity, water, sanitation, solid waste removal services and infrastructure;
- Accelerate housing delivery by 2014;
- Contribute towards the national target of formalising 100% of informal settlements;
- Provide quality roads;
- Provide quality storm-water drainage systems;
- Provide public transport facilities and services;
- Maintain infrastructure.

These key performance areas have been cascaded to departmental level and specific indicators have been formulated to measure the progress in the attainment relating to each area of strategic focus. The key performance indicators are aligned to the service delivery commitments incorporated in the IDP and overall five-year strategic plan. As a result of work thus far, the following impacts can be observed:

- Improved service delivery;
- A reduction in the backlogs for water, services and roads.

## B KEY RESULTS

### % of households with access to basic or higher levels of electricity

The provision of electricity to households has resulted in approximately 78,5% of households (539,401h/h) having access to electricity.

The City of Tshwane is responsible for providing a safe, effective and efficient supply of electricity to communities and customers within its licensed area of supply. This includes the generation of electricity, repair, maintenance, construction and development of the electricity network to serve all industrial, commercial and residential consumers in the licensed area of supply. Eskom supplies most of the areas to the north of the city like Ga-Rankuwa, Winterveld and Mabopane. The achievements of the City of Tshwane in the area of electricity provision include:

The Public Works Electricity division realised most of its target set for this financial year, however there were some shortfalls; for example the target set for the provision of high mast light could not be achieved as per the set target due to delays in the tender process. However the division channeled the resources to street lighting and far exceeded the set target. The

division also receives applications from new businesses/industrial for connections, but is only committed to those who have paid.

The following milestones were achieved in the current year in the areas of eradicating backlogs and providing for growth:

- 7,942 completed houses electrified to eradicate backlog;
- 552 completed and occupied houses electrified to cater for growth;
- 3,088 new street lights provided;
- 93% (141 of 152 applications) of new businesses/commerce and industrial were provided with connections;
- 7,286 household meters converted from conventional to prepaid meters;
- Unaccounted electricity was held at 9,7% of total supply.

The Public Works Department also electrifies formal shacks, therefore a higher number of houses have been electrified than top structures were delivered.

### % of households with access to basic or higher level of water

With the initiatives in place at present, 98,6% (676,794) of the households in Tshwane have access to piped water.

The target for the 2008/09 financial year according to the approved budget was to provide services to 19,290[1] households, however only 6,794 water connections were achieved due to technical delays. The outstanding balance will be addressed in 2009/10. The Public Works Department has delivered water and sanitation services to eradicate the backlog in the Northern areas.

However the following milestones were achieved in the current year**:**

- 3,276 Households were provided with water connections by the Housing and Sustainable Settlements Department, which forms part of the programme of formalising informal settlements;
- All informal settlements received water through Jojo tankers.

It is also an objective to provide sufficient water infrastructure for growth and the Water and Sanitation Division is committed through the implementation of capital projects by installing network pipelines for water services and by increasing reservoir and waste water treatment capacity. It achieved the following in this respect:

- 122,278 m of internal water network pipelines was installed;
- An average of 764Mℓ/day potable water was supplied to consumers in the City of Tshwane;

[1] This was subsequently increased through MAYCO approved funds transfers to 44,304.

- R344,689,979 was spent to upgrade and replace existing water infrastructure, 7% in excess of that budgeted, equating to 202,111 m of pipelines;
- An additional amount of R42,173,169 was spent on operational maintenance during the year.

The Water and Sanitation Division has also been active in the area of reducing the level of unaccounted for water. One such initiative was to implement the IMQS Management Information System (MIS) to assist with various aspects of water and sanitation systems management and operation, in particular identifying possible opportunities for implementing Water Conservation and Water Demand Management initiatives and monitoring the effect of these strategies.

The innovative use of information in MIS has resulted in stabilising, and in some cases reducing the level of unaccounted for water in the City of Tshwane. In addition, water demand management has led to a decrease in the average water demand supplied to individual stands.

- The annual target is to reduce unaccounted for water by 1% per annum. The target for 2008/09 was 25,9% - which was not achieved due to the decrease of water sales by 10%.
- Although the target to eradicate the backlog pertaining to the service of the basic water supply was not achieved the following areas were addressed in the current year namely, Tswaing, Kudube 5 and Kudube 10. Also the entire Temba area from east to west has now been provided with a basic water supply.

Other projects that have progressed during the 2008/09 financial year include:

- Installation of new reticulation in Laudium and Grootvlei
- Purchasing of water meters in Soshanguve and Mamelodi
- Installation of an aerator (mechanical equipment that adds air to water) for Kalplaas.
- 41 Informal settlements were also provided with JoJo tankers, communal taps and mobile tankers by the department of Housing and Sustainable Settlements.

With the outbreak of cholera experienced in certain regions of the country during the year, the question of water quality is prominent in all consumer minds. In this respect the City of Tshwane is committed to ensure that the quality of its potable water is of the highest standard and is continually monitored in this respect. Our results based on SANS 241 standards comply and are 100% free of E. Coli/cfu per 100 ml.

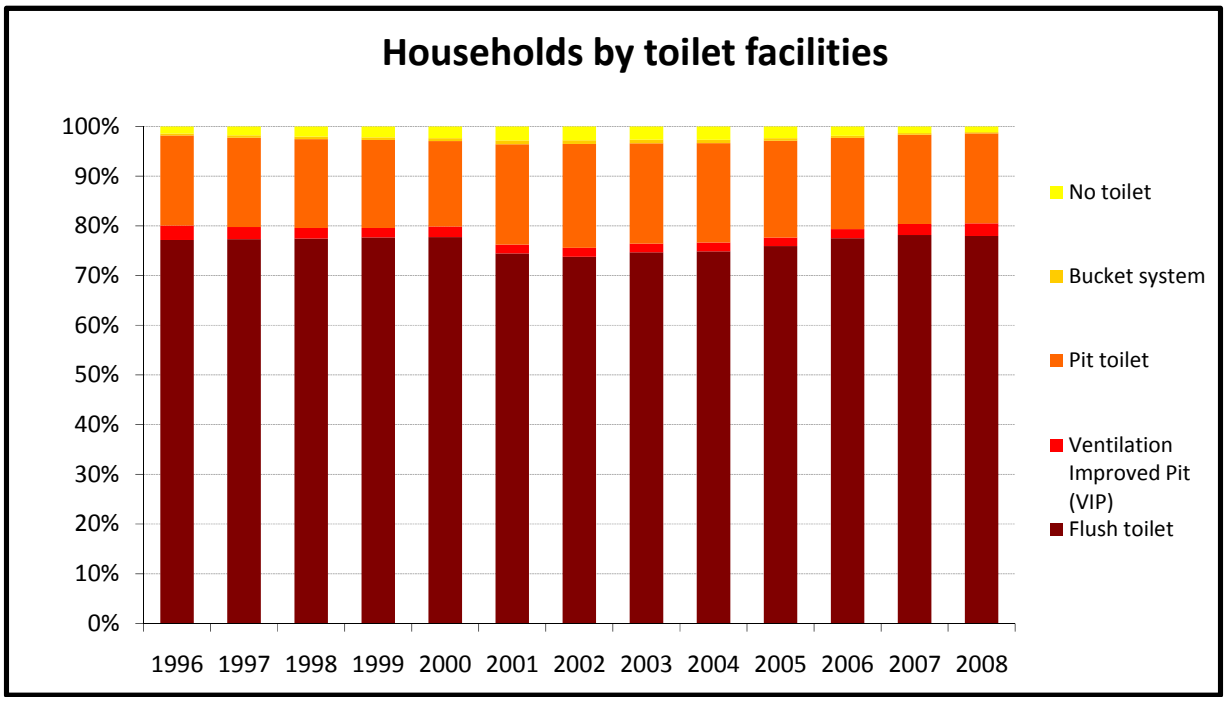
The Department of Water and the Environment initiated the Blue Drop Certification Programme which evaluates the respective town or city per drinking water system from catchment to consumer. To qualify for Blue Drop status, municipalities are required to comply with at least 95% of the weighted assessment criteria.

The City of Tshwane received a Blue Drop score of 95% which implies that the city is capable of sustaining a safe quality of water supply and will act responsibly when deviations in the tap water quality are detected through continuous efficient operational and compliance monitoring.

The Rietvlei Water Treatment Works was awarded the Most Presentable medium sized Water Treatment Works for 2009.

### % of households with access to basic or higher level of sanitation

Approximately 98,5% of households (676,274 h/h[2]) have access to basic or higher sanitation. Figures available highlight the following statistics applicable to households in the City of Tshwane:




*Source: Global Insight RegionalXplorer version 421*

Obviously the primary focus has been to eradicate the existing backlog as targeted by the National Government. That is to provide at least a basic level of services for sanitation purposes, translated to a ventilated improved pit latrine (VIP) by December 2010. However, as a result of the impracticality and the cost implication of first installing 'VIPs and later upgrading, it has been determined that a full waterborne sanitation should be the level of service in the Temba area. In other areas falling outside the urban edge, namely in the rural areas, the sanitation level of service will be on-site sanitation. Further it must be noted, that there is no municipal bucket system in City of Tshwane, however, many households in informal areas use other mechanisms rather than the chemical toilets provided, and which they often refer to as the `buckets'.

**Two types of sanitation backlogs are defined:**

**1. <u>Historical Sanitation Backlog:</u>**

[2] Based on Stats SA community survey 2007 there are 686 640 households in City of Tshwane.

This backlog can be defined as disadvantaged proclaimed (formal) areas that were not serviced with a basic level of sanitation service before 1994. The national target for the eradication of the historical sanitation backlog is December 2010. Most of the areas where sanitation backlog eradication is implemented are still un-proclaimed or informal; therefore the "housing" target date of 2014 could be considered applicable.

Owing to budget constraints and other technical delays the projects, programmes and plans were amended and the planned household connections for the 2008/09 financial year were not achieved.

It is also an objective to provide sufficient sanitation infrastructure for growth and the Division is committed through the implementation of capital projects by installing new bulk and network pipelines for sanitation services.

- Although the target to eradicate existing backlogs was not achieved as explained, 1,280 m bulk sewer lines were installed to support growth.
- In respect to investment in existing sanitation infrastructure, R104,304, 507 was spent to upgrade and replace, 3,6% in excess of budget.
- An additional amount of R167,731,431 was spent on operational maintenance during the year.

**2. Housing Sanitation Backlog:**

This backlog can be defined as a sanitation backlog in un-proclaimed (informal) areas that will be addressed and eradicated by formalising and providing sanitation services to these areas by December 2014. The responsibility for the eradication of this backlog within the City of Tshwane is that of the Housing and Sustainable Settlements Department.

The achievement of the Housing Department in addressing this shortfall in the current year reflected:

- 3,650 household stands were provided with a sewer connection to eradicate the backlog.
- In the pursuit of ensuring that effluent quality meets the national standards, the Water and Sanitation Division in the Public Works and Infrastructure Development Department obtained a Green Drop status for Zeekoegat and Daspoort Waste Water Treatment Works. The final evaluation report from the Department of Environment and Water Affairs will be scrutinised to rectify the minor shortcomings on the other works.

### % of households with access to basic or higher level of solid waste removal

Approximately 89% (611,763 h/h) of households have access to basic or higher level of solid waste removal. This includes those provided with communal skips.

The Waste Management Division competes with private waste removal service providers. This situation is similar to that of the Electricity Division where full services can only be provided in proclaimed areas and where there is no backlog for full service provision within this environment. The following achievements were noted:

- 9,364 new kerb side waste removal service points were added to cater for demand/growth;
- 896,419 tons of domestic waste was collected;
- 582,653 tons of garden refuse was disposed of;
- 152,666 tons of commercial waste was collected;
- 241,690 tons of illegal dumping was removed;
- 73,000 households in informal (unproclaimed areas) were provided with communal skips;
- 48,300 households in informal (unproclaimed areas) received a waste removal service with plastic bags, an increase of approximately 1,000 for the 2008/09 financial year**.**

Households in the following informal areas that are benefitting from this service are:

- Atteridgeville,
- Brazzaville,
- Pomolong,
- Soshanguve,
- Mamelodi,
- Ga-Rankuwa,
- Mabopane, and
- Temba

### % of households living in formal dwellings

Based on Stats SA Community Survey 2007, and the top structures delivered by City of Tshwane in 2008/09, at least 71% of households have access to formal housing. This equates to 487,800 h/h and excludes the top structures that may have been delivered by Province.

**Housing**

According to the Municipal Housing Development Plan: 2007, there is a current housing backlog of 133,808 in the City. However, housing delivery should not only focus on reaching targets, but should also consider the quality of housing delivery and settlement areas created. The Gauteng Department of Housing formulated the "Breaking New Ground Housing Policy", which in general seeks to:

- Achieve greater integration, in the urban context by wanting to rectifying the distorted urban form;

- Make provision for ALL, not only South African residents but also foreigners with relevant work permits; and
- Provide more sustainable delivery, by aligning housing projects with other service providers, to, in particular, ensure coordinated social service delivery.

While the policy recognises that quality delivery is as important as quantity, the policy did not amend its subsidy system which favours delivery in terms of quantity. Delivery, however, remains closely linked to cost of land, land availability, natural constraints and availability of infrastructure, which perpetuates the current spatial pattern. The policy emphasises ownership rather than rental occupation, which compromises the sustainability of the city, and could impact on the restructuring of the inherited inefficient city form. There is a need for alternative housing typologies in appropriate locations.

In Tshwane we have informal areas with little or no formal services and amenities, which are located predominantly on the periphery of the City.

**Formal Dwellings**

- Whilst this area of delivery remains a challenge due to the historic backlogs with housing, 1,639 top structures were provided in the current year.
- 2,899 houses were registered to owners in the year.
- Construction of roads and storm-water has also progressed well with 26.7 km's being provided for residential stands as part of the programme to eradicate backlogs.
- 13 rental units were developed.

Plans are also underway for the refurbishment of Kruger and Schubart Park in the new financial year. The appointment of the Tshwane Housing Company Board will also enable the effective administration of residential buildings administered by the Tshwane Housing Company.

**Eradication of Hostels**

- At Saulsville Hostel in Atteridgeville, 129 units are currently under construction to be converted into family units. These were planned to be completed at the end of 2009 but construction was temporarily suspended due to financial constraints. The required funds have been secured from the Gauteng Department of Health and construction has recommenced.
- 300 temporary residential units have been completed to accommodate residents currently occupying blocks to be demolished. The City's target is to develop at least 240 units per annum.
- Low cost housing projects are underway in Soshanguve, Kudube and a number of other prioritised areas

**Informal Settlements**

The formalisation of informal settlements and the provision of low cost housing are receiving high priority. In the 2008/09 financial year 25 township applications were submitted. Our plans are to continue formalisation in the next two years.

The informal settlements formalised during the 2008/09 current year included:

- Soshanguve SS X1
- Soshanguve KK X1
- Winterveld Extension 4
- New Eersterust
- Stink Water Ditenteng
- Hammanskraal West Extension 2
- K54 Road in Mamelodi (relocation)
- A substantial part of Plastic View in Soshanguve (relocation)

### Provide quality roads and storm-water drainage systems

Another priority of the City of Tshwane has been the construction and maintenance of roads and storm-water systems within the Municipality's jurisdiction. These services extend to include all roads in the municipal area, but exclude National and Provincial Roads which reside within the jurisdiction of National and Provincial government. The City has to date achieved:

- 24,5 km of new roads have been constructed to provided for growth;
- 69,6 km of roads and storm-water drainage systems have been constructed to address backlogs;
- 20,8 km of new storm-water drainage systems provided.

The Roads and Storm-water Division is currently in the process of implementing three turnkey projects for upgrading of roads and storm-water drainage in the oldest part of Soshanguve. The current projects are being implemented in Wards 33, 34, 35 and portions of Wards 12 and 29 (Soshanguve Blocks AA, F, G, H, K and M). A total length of 98,5 km of roads are included in this first phase, which are mostly internal access streets serving residential stands, with some bus routes. After completion of these projects, there will be no un-surfaced roads or roads without storm-water drainage in the above area.

The objective of the turnkey projects is to combine the design and construction phases of the project in one contract, to fast track service delivery by having only one procurement process for appointing a design and construction team. The current three Turnkey Projects in Soshanguve have a contract period of 24 months ending March 2010.

### In the current year R29,686,434 was spent on infrastructure upgrade

The City of Tshwane participated on the Gautrain Working group relating to construction work in the Tshwane Area of jurisdiction. Among others, we consider way-leave applications for work to be done in the public road reserve, conduct traffic impact assessments, traffic signaling installations, temporary diversions and a host of other construction related activities.

The department has also been active in Ward based projects, one of these being the construction of walkways through the City of Tshwane. The project spans two financial years, beginning in 2008/09 and ending in 2009/10.

The Road Safety Master Plans Project of the City of Tshwane was nominated as one of 5 shortlisted Best Practise projects for the VUNA awards in 2008. The City of Tshwane's best practice was also published in the Common Wealth Minister's Reference Book for 2008, and was rated the safest Metropolitan City (2007) in transport related fatalities according to Media Research Council report "A Profile of Fatal Injuries in South Africa – Nov 2008".

### Number of trips per capita (total passengers/population) p.a. on public buses

We have achieved various significant milestones in our quest to improve the level of service with regard to our public transport system including:

- The number of passengers per trip increased by 4,2% year on year;
- Training of staff to deliver better services by sending employees to Batho Pele training and by Bus Drivers attending the K53 courses;
- Tshwane Bus Services received additions to its bus fleet in the 2008/09 financial year to provide better services to the residents of Tshwane. We expect to have taken delivery of 100 buses by 2010 and this will allow for our commuters to travel with dignity to their respective destinations;
- Tshwane Bus Services achieved 99% on the scheduling of bus trips
- The average public transport time to workplace or place of education was maintained at 66.5 minutes. A travel time survey has been completed and will be evaluated to determine the way forward.

The City of Tshwane has already started with the preparations for the implementation of the Bus Rapid Transit (BRT) system that will run from Soshanguve to Mamelodi via the city centre and Loftus Versfeld Stadium.

The City of Tshwane is spending over R1,5 billion on this project that will see a substantially reduced travel time of commuters entering and leaving the city centre. This will be supported by the Atteridgeville to Mamelodi Corridor that will complement the BRT system. We are engaging the taxi industry to ensure that our plans have the support and buy-in of all important stakeholders.

### Expenditure on repairs and maintenance to Total Operating Income (TOI)

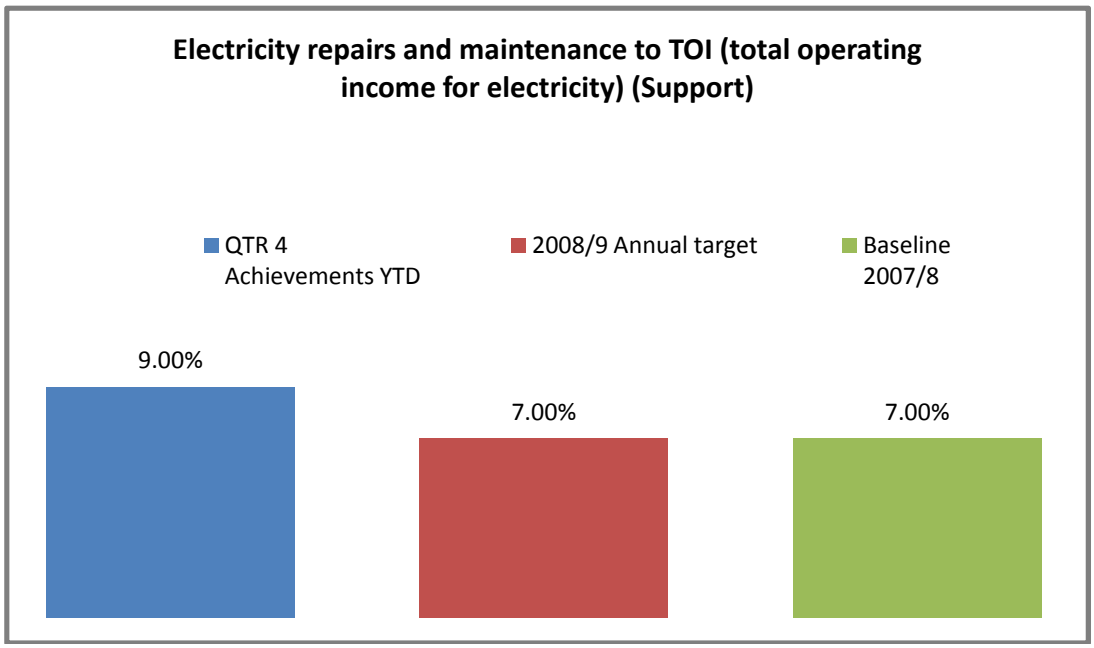
The Local Government Budgets and Expenditure Review 2003/04 – 2009/10 (reference Circular 48) has made specific reference to the serious situation that exists, with respect to repairs and maintenance, and renewal backlogs, in relation to municipal infrastructure, particularly municipalities' electricity, water reticulation, sewage and stormwater and roads systems.

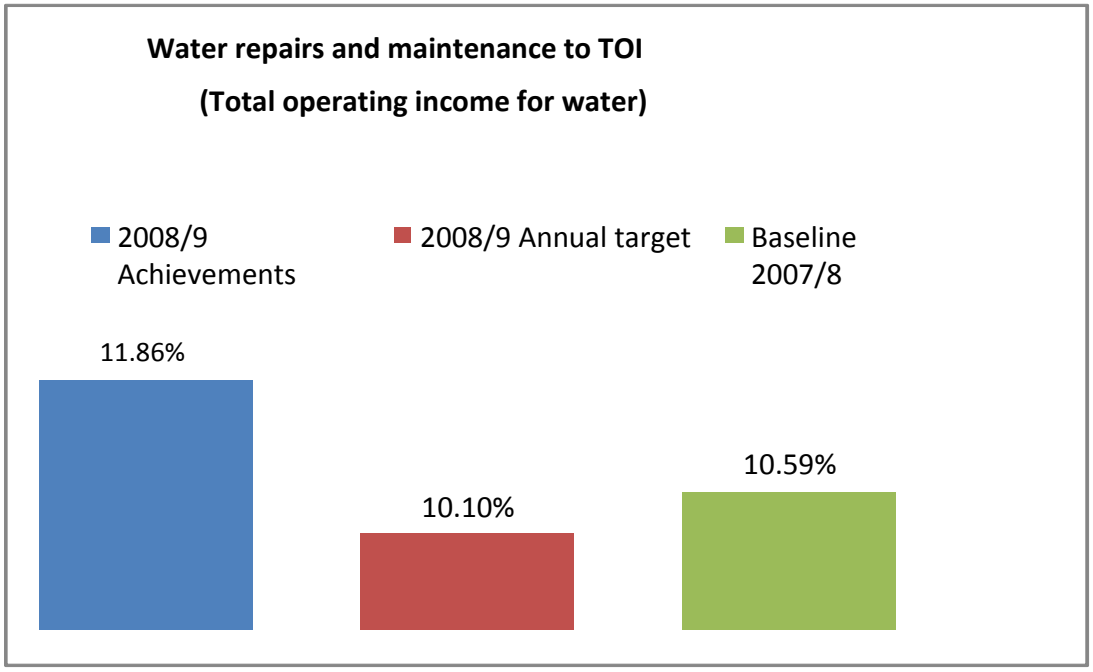
It noted that these backlogs are impacting negatively on the financial sustainability of municipalities and on the reliability and quality of municipal services, as well as municipalities' contribution to supporting economic growth.

Expenditure on repairs and maintenance has grown significantly year on year. Yet in real terms actual maintenance expenditure remains low, while the asset base of municipalities continues to grow. Ideally, allocations to repairs and maintenance should be directly linked to the life-cycle management of municipal assets.

However, given existing backlogs, municipalities are advised to benchmark on a baseline of between 10% and 15% of operating expenditure for repairs and maintenance.

The City of Tshwane has adopted these guidelines and has performed as represented in the following graphs.

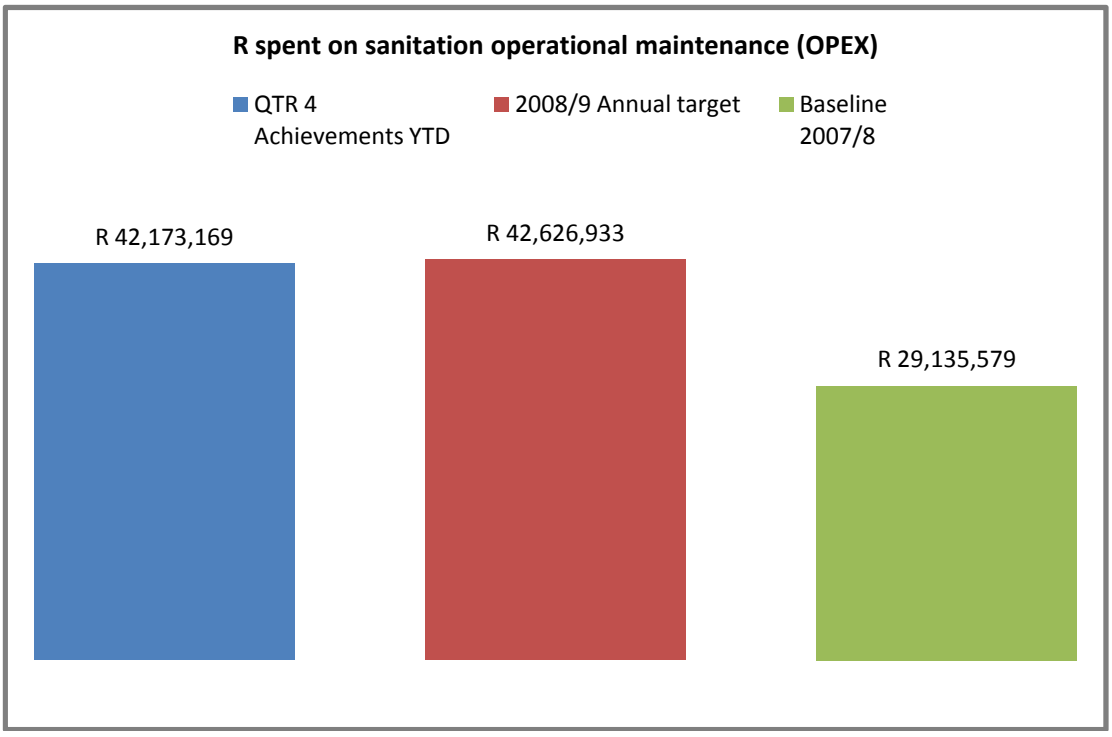


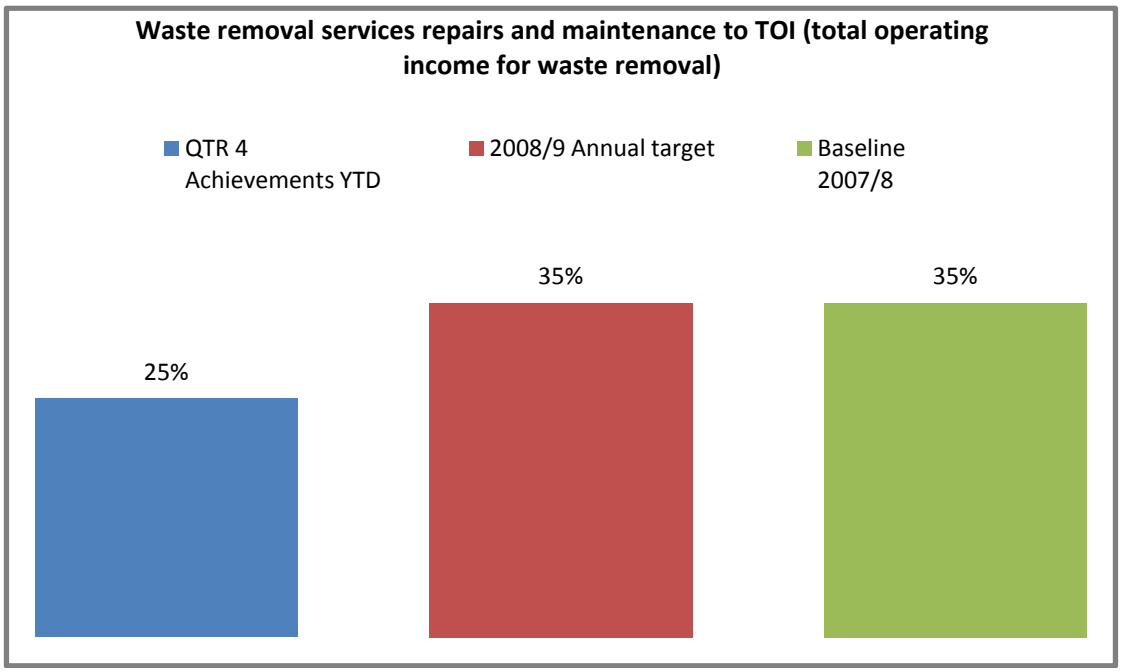

Water repairs and maintenance to TOI
(Total operating income for water)
2008/9 Achievements
2008/9 Annual target
Baseline 2007/8
11.86%
10.10%
10.59%

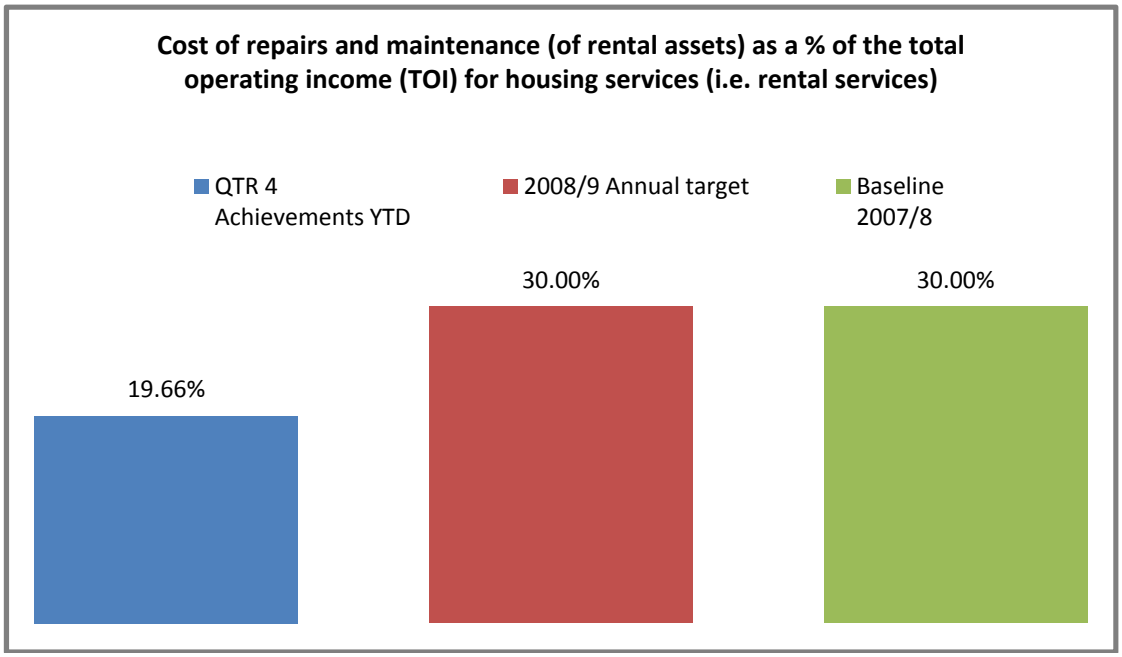
**Sanitation repairs and maintenance to TOI**

**(Total operating income for sanitation)**

| QTR 4 Achievements YTD | 2008/9 Annual target | Baseline 2007/8 |
|---|---|---|
| 9.90% | 12.10% | 10.38% |

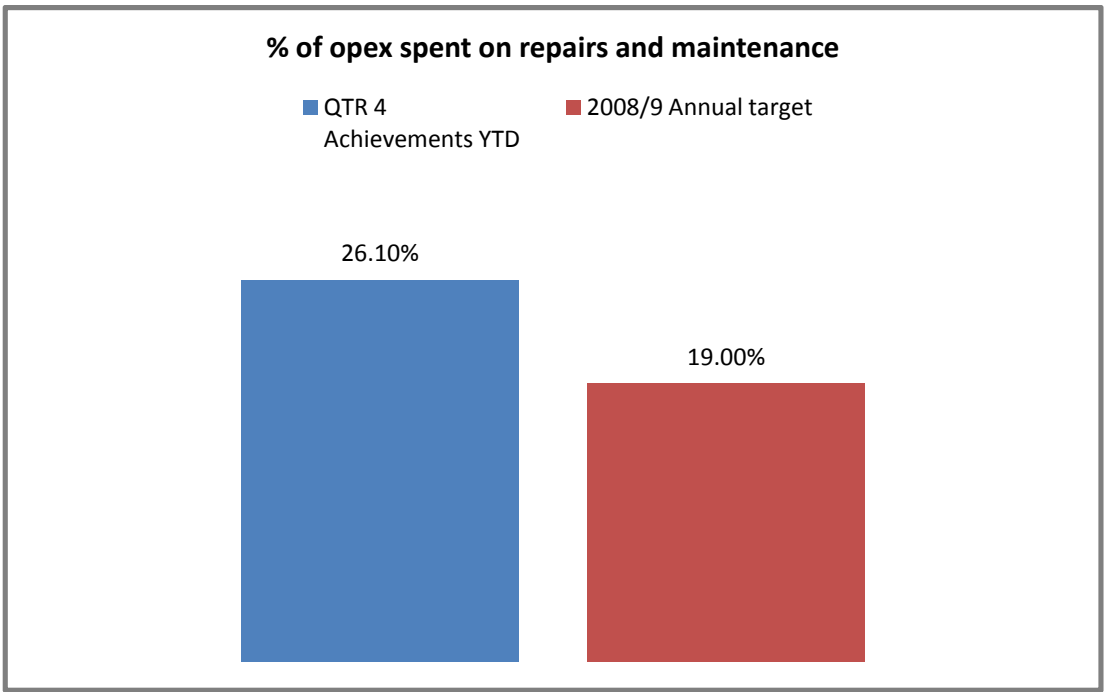


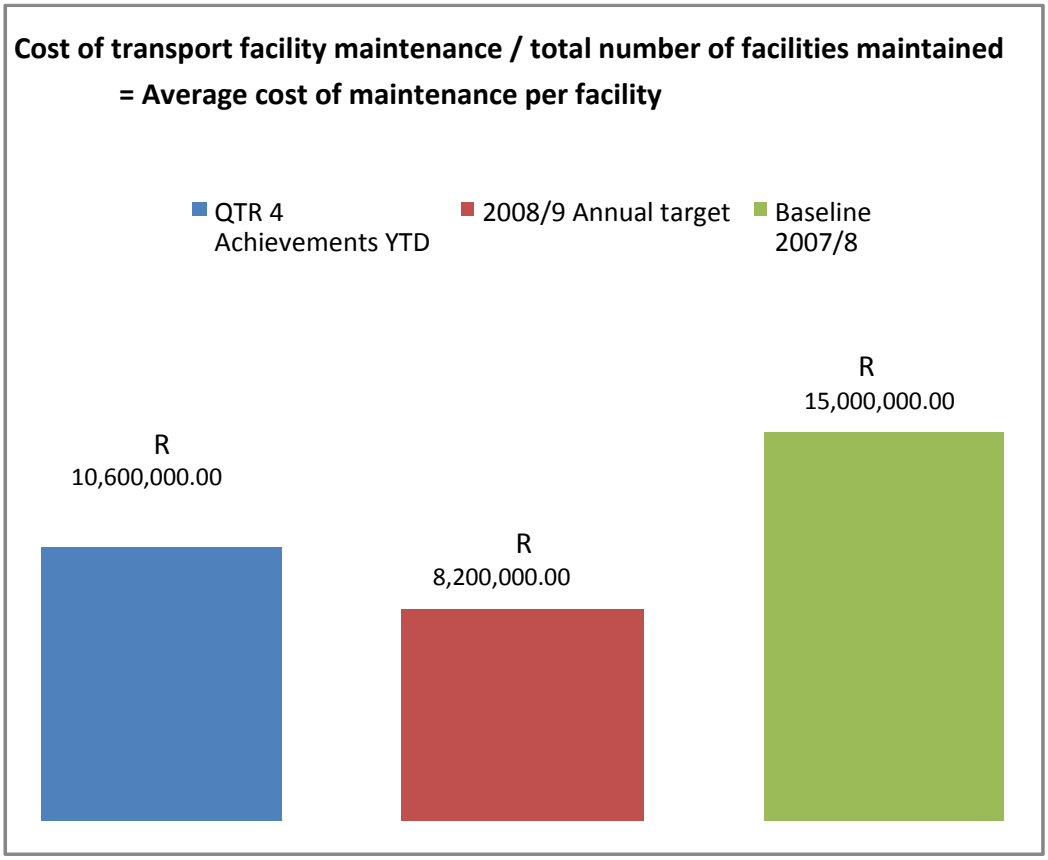

Waste removal services repairs and maintenance to TOI (total operating income for waste removal)
QTR 4 Achievements YTD
2008/9 Annual target
Baseline 2007/8
25%
35%
35%


Cost of repairs and maintenance (of rental assets) as a % of the total operating income (TOI) for housing services (i.e. rental services)
QTR 4 Achievements YTD
2008/9 Annual target
Baseline 2007/8
19.66%
30.00%
30.00%

**% of capex spent on infrastructure upgrade (i.e. to extend the life of an asset)**

| QTR 4 Achievements YTD | 2008/9 Annual target |
|---|---|
| 8.00% | 3.60% |




Cost of transport facility maintenance / total number of facilities maintained
= Average cost of maintenance per facility
QTR 4 Achievements YTD
2008/9 Annual target
Baseline 2007/8
R 10,600,000.00
R 8,200,000.00
R 15,000,000.00

### 2.1.2 FACILITATE HIGHER AND SHARED ECONOMIC GROWTH AND DEVELOPMENT

- Facilitating faster investment in strategic sectors in the city. We are committed to reducing the cost of doing business and creating a one-stop service for legacy projects and strategic investments. The development of the RHEMIS programme that will enable the processing of electronic business services is at an advanced stage.
- Fast tracking the provision of more reliable and safer public transport, such as buses, thereby improving travel time and quality of travel.
- Improving the sustainability of job creation, and facilitating more initiatives to increase job creation and investment in the city.
- Greater efforts to improve SMME and COOP development and support.
- Further efforts to developing our stagnant nodes.

On the city level, the indicators are divided into two key areas, namely the facilitation of economic growth and ensuring that the growth is a shared growth. This is illustrated below.

#### A STRATEGIC FOCUS

- Facilitate higher economic growth;
- Facilitate shared economic growth.

These two key performance areas have been cascaded to departmental level, which in this particular strategic objective is led by the activities of the Department of Economic Development.

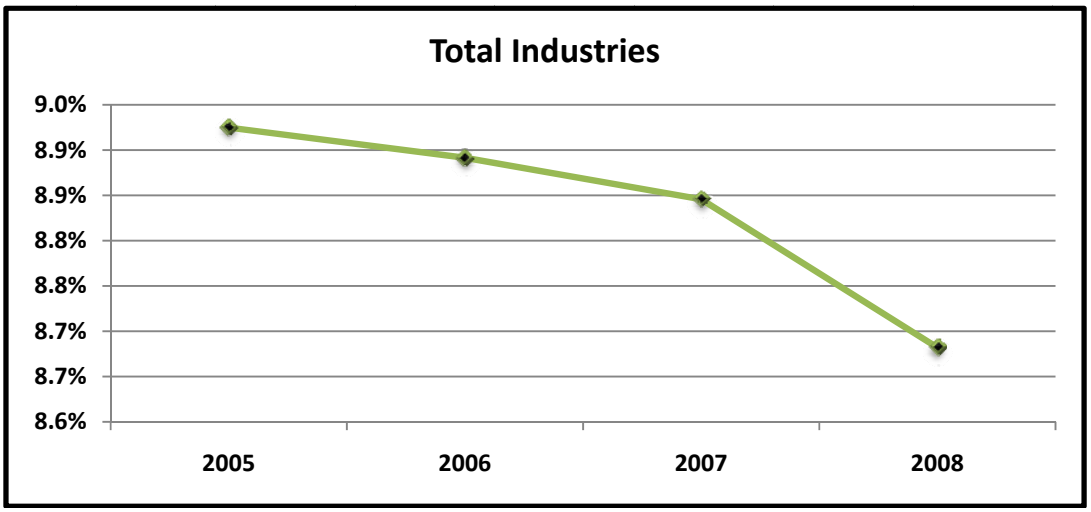
#### B KEY RESULTS

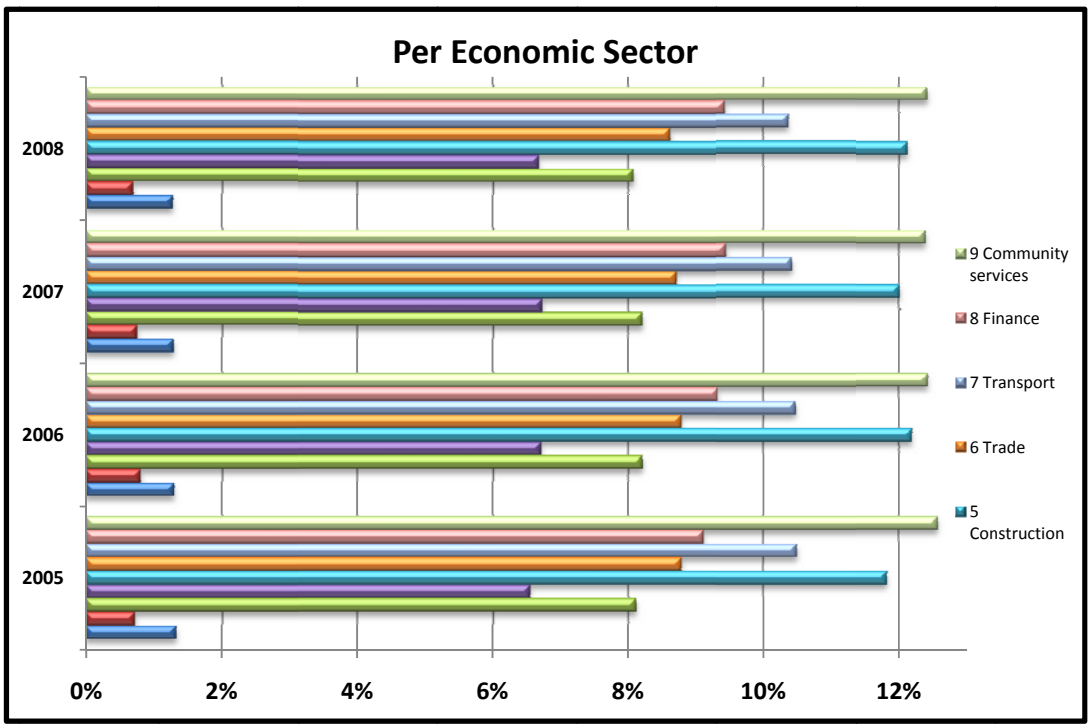
**GVA per annum in the City of Tshwane**

There is no significant change in the GVA since 2008, despite the global economic recession (it remained on 6%). However, it is expected that the recession will have a significant impact on the GVA in the 2009/10 financial year

The global economic recession has created a challenge in attracting new investors due to the economic downturn and the potential investors are still observing the trends so as to make informed decisions on the new markets and sectors. The economic activity by the City of Tshwane in the current year has included such highlights as the following interventions and investment opportunities.

**GVA - City of Tshwane's Share of National Total (%)[3]**




3 *Source: Global Insight Regional eXplorer version 421*

**Achievements for the year include:**

- The City of Tshwane hosted the Tshwane International Trade and Infrastructure Investment Conference (TITIIC) from 27 to 29 May 2009 wherein more than 1,280 delegates, 28 international guests and 58 speakers participated with 142 exhibitor stands.
- Hosted a 5 member delegation from Advent Group (USA) on an investment tour of the City of Tshwane to discuss possibilities of investing in a bottling plant and real estate.
- Hosted an ICT delegation from Belgium and addressed a delegation from India on business opportunities in the City of Tshwane.
- Facilitated linkages with foreign components manufacturing companies CAPAC from China and SEPCO – India.
- Facilitated a meeting with the New Reclamation Group to facilitate the R100 million investment in a world class Metal Recycling Facility at Waltloo.
- Facilitated a trilateral between City of Tshwane, NWDC and Matla Solar which is likely to invest R65 million once the project has been finalised.
- Held discussions with CAV and DTI to establish a working group for the development of the R569 million in the Centurion Aerospace Village development.
- The City of Tshwane hosted the second Business Month Programme in May 2009. The programme consisted of 13 activities geared at empowering business people and creating a platform for networking and sharing of ideas.
- An SMME and BEE Development Conference was hosted, where the objective was to create a network platform and an official launch of the partnership between the City and the Global School for Entrepreneurship. A total of 1,105 delegates attended.
- Business Information Roadshows where the objective was to disseminate business support services information to communities. A total of 836 delegates attended the various venues.
- In monetary terms the City of Tshwane initiated R816.8 m of investment in the 2008/09 financial year. The main source of these investments was realised from the following sectors.
- R227,686,800 industrial private sector buildings plans approved and completed by City Planning Development and Regional Services in June 2009.
- R173.2 million investment by Ford Motor Corporation and R416 million by Nissan Motor Corporation.
- The provincial market share for agricultural trading (Tshwane Fresh Produce Market) was maintained at 29.83% despite the overall economic recession.
- In the tourism scenario and with a major international sporting event, namely the 2010 World Cup, less than 12 months to "kick off", the City of Tshwane held several high profile events to showcase this prestigious tournament.

**Süd-Afrika Tage Roadshow and Exhibition in Germany**

The City of Tshwane participated in the Süd-Afrika Tage Exhibition which took place at the following venues:

- Frankfurt (Mainz) - 27 February to 1 March 2009
- Dusseldorf Area (Neuss) - 3 to 4 March 2009
- Hamburg – 6 to 8 March 2009

**Tshwane Tourism Festival**

The inaugural Tourism Fair was hosted in October 2008, where the objective was to reflect on tourism broadly in the City, form partnerships and linkages with the key stakeholders and role players, as well as product owners. It was also aimed at positioning the City as a preferred tourism destination. It was pleasing to see that 599 delegates from various fields within the tourism sector attended the conference and 43 exhibitors used the opportunity to market their products and services.

**Tshwane Tourism Awards 2009**

The annual Tourism Awards were held on 27 March 2009 and acknowledged service excellence within the tourism industry in Tshwane. The Gauteng Tourism Authority recognises the awards as a benchmark for best practice within the tourism industry in the Gauteng Province. Altogether 38 finalists received certificates, 13 winners received trophies and two special mentions received certificates.

For the first time, the Tshwane Tourism Awards were linked to the National Welcome Awards from South African Tourism, which implied that all the winners were automatically entered for those Awards. Three of the Tshwane Tourism Awards winners were also National Welcome Awards Winners

**Tourism Indaba 2009**

The City of Tshwane participated in the Tourism Indaba 2009 from 9 to 12 May 2009. The Tourism website was launched and three of the product owners won the South African Welcome Awards.

**Meetings Africa**

Meetings Africa 2009 took place at the Sandton Convention Centre from 25 to 27 February 2009. It is the continent's premier annual business tourism exhibition, showcasing conference and event venues, incentive travel destinations and various industry support services.

**FIFA Confederation Cup**

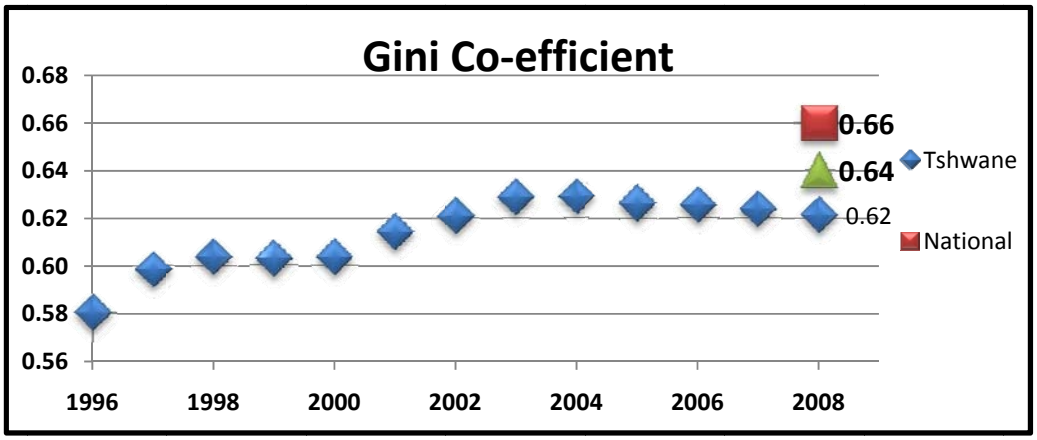
The City of Tshwane was a co-host of the FIFA Confederations Cup. This forerunner to the 2010 FIFA World Cup™ allowed departments of City of Tshwane to demonstrate their capacity to render the desired levels of service dictated by this type of event. The City of Tshwane achieved 7 out of 10 by FIFA for its hosting of the Confederations Cup.

Other highlights worth mentioning in the area of economic growth is the City of Tshwane's strategic partnerships to establish enterprise incubators in Babelegi and Ga-Rankuwa. A major

milestone achieved was the signing of the memorandum of understanding with the Department of Public Works on Rekgabisa Tshwane Project. This project is already changing the face of the Capital City with millions of rand's invested in the City by National Government.

### Gini Co-efficient

The Gini is a measure of income inequality. It is scored between 0-1; where 0 means everyone has the same amount of money, and 1 means that 1 person has all of the City's or Nation's wealth. Therefore a score closer to 0 indicates a higher degree of equality between the highest and lowest paid earners. The Gini Co-efficient for the City of Tshwane is 0.62, as opposed to National (0.66) and Gauteng Province (0.64). *(Source: Global Insight, as at 2008).*




### Unemployment (broad and narrow definitions)

A narrow definition of unemployment is those people who are actively looking for work, but cannot find it. Broad unemployment includes those who are actively looking for work, but cannot find it, plus those who have given up looking for work.

Tshwane's unemployment figure rose from 19% in the beginning of 2008 to the current 22%, due to the global economic recession (the key industries in the City are export related, for example in the automotive sector).

The sectors that were mostly affected, are trade (13,000 jobs lost), transport, including automotive (14,000 jobs lost), agriculture (816 jobs lost), informal sector (5,655 jobs lost).
*(Source: Unisa, Bureau of Market Research, as at June 2009).*

However despite the global economic downturn and resultant effect on the local community, significant inroads were realised in the area of job creation as illustrated below and assisted through the EPWP initiatives.

- 7,313 'SMMEs and/or cooperatives that empower black people, women and the youth were supported and developed in 2008/09. This was divided between 4,953 'SMMEs,

281 in the Fresh Produce Market and 2,079 in the sector of cooperatives, various departments within the City of Tshwane contributed to this achievement.

- A further 14,728 jobs were created in the formal sector of the City's economy, although not all of these were sustainable throughout the year.
- 1,943 jobs were created through a municipality's (local economic development) initiatives, including capital projects (NKPI), although the majority, were short term.
- 1,153 essential skills development initiatives were implemented in communities in partnership with key role players such as the SETA's and in line with the sector skills plans.
- The Bloed Street Taxi Mall was completed in October 2008 and is being used by traders.

**Provide an agricultural market facility:**

The Tshwane Fresh Produce Market Division represents a significant player in the strategic objective of the City of Tshwane, by stimulating the local economy and the creation of job opportunities. The market is situated in Ward 3 (CWR). The Tshwane Fresh Produce Market competes with national markets for client and producer base and therefore should measure market share not% growth, the indicator has been changed in the 2009/10 financial year to reflect this change. In this respect it has achieved the following:

- Realised a cumulative turnover of R1,58 billion for the financial year ending 30 June 2009 representing year on year growth of 11,7%. Growth in turnover and volume has been equal and with respect to volume marginally exceeded the industry norm growth.
- The Tshwane Market has created 207 temporary jobs through the implementation of capital projects.
- 60 informal traders have undergone training for the 2008/09 financial year, to capacitate this sector to not only improve their current business activities but to empower them to migrate to the formal economy. The informal sector is an important business partner, as this sector accounts for 35% of produce sold at the market.
- During March 2009 the Tshwane Market recorded a new record monthly turnover of R150 million.
- Capital projects of approximately R25,6 million were completed in ward 3 during the financial year to improve existing facilities and to construct new watermelon sheds.
- The Tshwane Market is an excellent job creator with thousands of job opportunities created upstream and downstream as a result of market activities.
- The Tshwane Market has signed a memorandum of understanding with Absa to develop a credit product that will provide the informal trader access to finance. A need has been identified within this sector of the economy for credit to facilitate growth that will eventually lead to them migrating to the formal economy. The credit product is still being finalised by Absa and it is expected that it will be made available to the informal sector in the third quarter of the 2009/10 financial year.

### 2.1.3 TO FIGHT POVERTY, BUILD CLEAN, HEALTHY, SAFE AND SUSTAINABLE COMMUNITIES

- Increasing our indigent registration to reach more people who require access to free basic services.
- Improving the exit rate for people on the exit register in a more sustainable way which includes progressing more alternatives with the private sector and other partners.
- Fast tracking the spatial frameworks that are still outstanding to ensure that the spatial patterns of development are removed.
- Focusing on sustainable initiatives that benefit the vulnerable, as this is a moving target.
- Marketing and increasing our efforts around 2010, to build greater hype and interest around 2010.

The Human Development Index (HDI) is a composite index of economic and social wellbeing based on life expectancy, educational attainment and a decent standard of living. The index is measured on a scale of 0 to 1, with 0 being the lowest level of development and 1 the highest level. On HDI value of between 1 and 0, 8 is regarded as a high level of human development; a value of between 0.799 and 0, 5 is regarded as a medium level of human development, and a value of between 0.499 and 0 as a low level of human development. Tshwane is one of the few South African cities that fall above the average human development score

## A STRATEGIC FOCUS

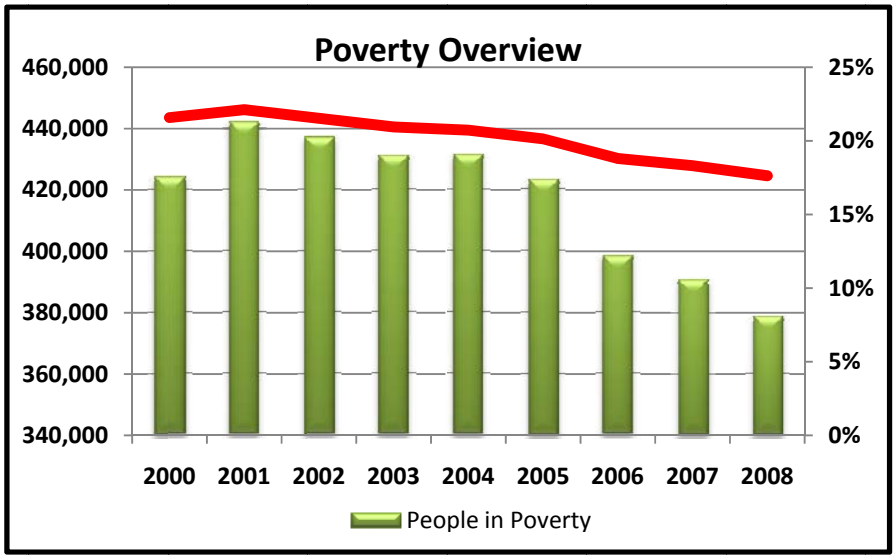
- Fight poverty;
- Provide health care services;
- Decrease the crime levels working with the National Criminal Justice System, the South African Police Service, business and communities, ensuring visible policing and strengthening the municipal court system;
- Ensure the safety of our communities, businesses and roads, fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard;
- Promote viable (sustainable) communities by establishing mixed human settlements with social and cultural programmes that enable the celebration of diversity and foster social inclusion.

## B KEY RESULTS

### Percentage of Tshwane population living below R3 000,00 per annum (in constant 2000 rand) (Poverty head count index)

Poverty in our cities is probably the key planning question of this millennium, and it is clear that much of the poverty being experienced in Gauteng is driven by migration. For Tshwane, since 2001 very high in-migration prevailed on all sides except the east, and was particularly extensive in the tracts of land stretching from North West in toward Pretoria via Soshanguve and Ga-Rankuwa. The following areas in Tshwane were identified as priority areas in terms of poverty alleviation by the study on poverty and migration as done by the Human Sciences Research Council (HSRC): Temba, Nellmapius, Olievenhoutbosch and rural areas in Tshwane.

**Poverty Indicators – Total number of people in poverty**[4]




Many successes were experienced during the current year with respect to health care and the provisions to alleviate poverty and these have been listed as follows:

### % of Tshwane population living below R3,000 P/A

- 68,696 indigent households were registered, to obtain access to free basic services.
- The City of Tshwane has placed 1,842 households on an exit programme to make them self sustainable within the community.
- Free basic electricity has been provided to all the indigent consumers of Tshwane.
- 10,033 poor children had access to educare facilities in the current year through NGO sponsored crèches or City of Tshwane owned facilities to ensure provision of pre-school facilities for communities who would otherwise be denied this benefit.
- 1,196 homestead and community gardens were supported this year.

### % of households with access to PHC within 5 kms of their homes

Other health and social development indicators that achieved in excess of the set targets are:

- 96,5% of EDL medicines are made available at all the PHC facilities.
- Year-to-date 1,410,779 patients visited our clinics, a 36,4% increase from the previous year, longer clinic hours has assisted in accommodating these additional patients.

[4] Source: Global Insight Regional eXplorer version 421

- 100% of identified environmental health functions prescribed by the National Health Act for municipal health services have been implemented.
- Municipal Health Services had the opportunity to take part in the Alfred Nzo Awards, to recognise outstanding achievements in environmental health practices, two of the qualifying Environmental Health Practitioners were nominated to take part in the National Qualifier.

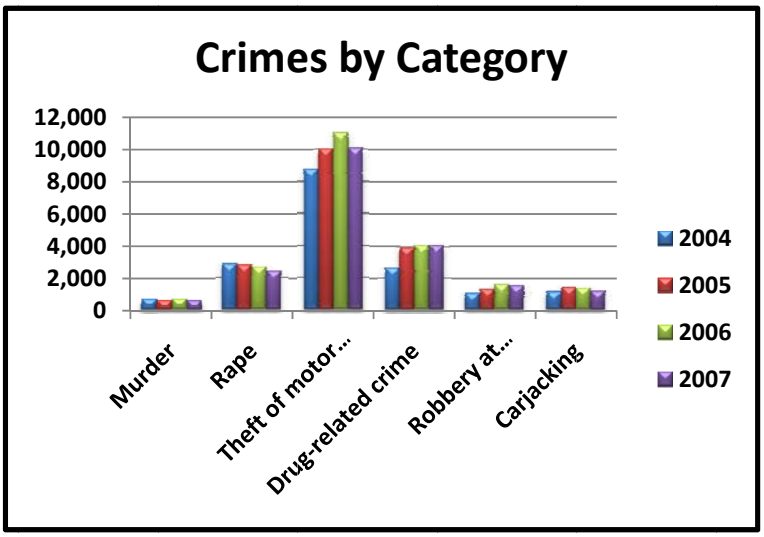
Owing to the efforts of dedicated workers, many of which are in uniform and work long hours, when people are asleep and on holiday; we have managed to make a difference.

In the context of the municipal policing and disaster management services the following statistics were achieved:

### % Tshwane crime levels

- 594 internal and 576 joint policing operations were conducted to ensure visibility and the safety of our community within our municipal boundaries;
- The current year has provided a 50% reduction in fatalities per 10,000 registered vehicles per annum, due to proactive programmes by the Metro Police Department;
- There has been a steady increase in our conviction rate of cases on the court roll, with an achievement of 89% in the current year.

**Crimes reported by category**[5]




### Percentage of fires and other emergencies responded to

[5] [5] Source: Global Insight Regional eXplorer version 421

- 4,908 fire and 31 disaster incidents were responded to by the Department of Community Services, despite limited resources.
- 76,031 emergency medical incidents were reported and responded to in the year.

### Levels of disaster risk management fully implemented

- 100% of level 2 of the disaster risk management plan has been successfully implemented.

The City of Tshwane has continued to implement many initiatives to enhance the dignity and sustainability of communities. Important activities such as the following have made an impact on the daily lives of community members:

- Provision and managing of the library facilities;
- Maintaining, delivering and operating sports facilities, swimming pools, museums and cultural facilities.



In these endeavours the City of Tshwane has achieved the following milestones:

- 2,393,903 people visited our library facilities during the current year. These facilities will offer free membership to new applicants from July 2009. New libraries have been finalised in Ga-Rankuwa and Nellmapius, and will be opened to the community in the 2009/10 financial year.
- A Reading Awards Competition has been introduced annually with the aim of cultivating a culture of reading among young people.
- The City of Tshwane had 764,315 visitors to managed recreational facilities in the current year.
- 42,714 people booked our recreational facilities in the current year for external events.
- 46,938 people visited the cultural facilities offered in our municipal boundaries.
- In contribution to childhood development the City launched the CHILDREN Gallery primarily geared to expose young children to artistic skills and support education curriculum. The gallery is located inside the Pretoria Art Museum to interest children in art.
- 25 sport development, 8 educational and 7 cultural programmes were delivered by the Sport, Recreation, Arts and Culture Department in 2008/09.
- Sports days for the disabled are held to promote active participation by the disabled and the elderly. 220 People with disabilities participated in Tshwane Sport Day held in Soshanguve and Mamelodi and 540 senior residents of Tshwane participated in this programme held in Soshanguve, Eersterust, Hammanskraal and the City Centre.
- Opening of the new VT Sefora Community Library in Ga-Rankuwa.
- Relocation and construction of the new Alkantrant Community Library in partnership with Atterbury Developers.
- Extension of the Temba Community Library.
- Opening of the Mokgoba Sebothoma Community Hall in Temba by the Executive Mayor on 12 December 2008.

From the environmental perspective the City of Tshwane is involved in the following:

- The City currently manages 16 000 ha of conservational facilities.
- Successful clean-up campaigns were initiated at various schools within the Temba area.
- The City of Tshwane won a gold award at the Sunday Tribune Garden and Leisure Show in October 2008.
- A total 10,015 trees were planted on road reserves and 2,847 trees in parks and on traffic islands during the current 2008/09 financial year.
- During the completion of the Top 20 projects R5,262,336,00 was spent on projects in previously disadvantaged areas.

The objective of community development is to ensure the implementation of programmes meant to ensure the mainstream inclusion into society of the youth, women, people living with disabilities and the elderly, with the express purpose of decreasing their vulnerability. This focuses on the development of vulnerable groups by implementation of targeted projects. Engaging with stakeholder groupings such as the women, elderly, youth and the disabled the

City of Tshwane has initiated the beneficiary programmes that has accomplished the following numbers to benefit in 2008/09:

- Women 4,533
- Youth 2,041
- Disabled 3,367
- Aged 3,667

On a more serious note Tshwane was also affected by the xenophobic incidents that rocked the country during the middle of last year. Our departments worked together tirelessly with other stakeholders to provide shelters for victims of xenophobia and to maintain law and order.

### % of conservation areas proclaimed

16,000ha of conservational facilities are managed and maintained by the division of Environmental management

Various annual events are hosted by the City of Tshwane, to create awareness of environmental issues involving different sectors of the community, some of these activities engaged in during the year include:

**National World Environment Day**

This was celebrated by the City of Tshwane on 17 July 2008, by hosting an event with different participating schools. The celebrations entailed a science project where the schools were requested to take part in the construction of a solar powered model racing car to create awareness regarding the international theme: **"Kick the habit!" Towards a Low Carbon Economy.**

**Arbor Day**

This is celebrated annually by the City with several other role players. Each year, the Department of Water Affairs and Forestry together with various levels of government embark on a campaign to create public awareness regarding the importance of trees, and the role they play in the environment. This year the focus was on poverty alleviation with the planting of various fruit trees.

Arbor Day 2008 was celebrated by the City under the theme: **"Plant Trees – Save our Planet".** Various schools and institutions were the target for Arbor Week 2008. During the festivities of 8 to 23 September 2008, over 315 fruit trees, as well as 800 vegetable plants were distributed and planted.

**Water Week Awareness Programme**

National Water Week 2009 was held at Vukosi primary school on the 26 March 2009. This event is celebrated nationally and is lead by the Department of Water Affairs and Forestry. Municipal

Health together with Environmental Resource Policy Management Division embarked on an awareness and education campaign to the community. The 'theme' was "Water is life: Saving the Nation's Needs Across Generations". Vukosi Primary School was chosen as the school to be involved in the celebration.

### 2.1.4 FOSTER PARTICIPATORY DEMOCRACY AND BATHO PELE PRINCIPLES THROUGH A CARING, ACCESSIBLE AND ACCOUNTABLE SERVICE

- Continuing to improve customer response time, making facilities more accessible.
- Improving the work around the ward committees.

It is the aim of the City of Tshwane to provide excellent quality of service to customers through the following Customer Care policy:

- Reliability – consistency of performance and dependability;
- Responsiveness – willingness and readiness to provide the service in good time;
- Competence – development/attainment of skills and knowledge required to perform the service;
- Access – approachability of staff and ease of contact with the Municipality;
- Courtesy – politeness, respect, consideration, and a clean and neat appearance;
- Effective communication – educating and informing customers in a language they understand and listening to them;
- Credibility – trustworthiness, reliability and honesty of the service provider;
- Security and confidentiality – freedom from danger, risk or doubt;
- Understanding and knowledge of the Municipality and its customers – making an effort to understand customers needs, learning the specific requirements and providing individualised attention;
- Caring for and maintaining all tangibles – ensuring cleanliness, safety and convenience of all physical assets, for example building and the Municipality's vehicle fleet, as well as the appearance of staff; and
- The creation of a one-stop integrated customer care system.

The City of Tshwane's Customer Care Policy is based on the Batho Pele Principles.

#### A STRATEGIC FOCUS

- Optimise effective community participation in the ward committee system;
- Batho Pele and customer relations management.

In this strategic objective we have focused on encouraging participation of communities in the affairs of local government. Service standards were identified and the City has reported regularly on how well we are doing on the achievement of service standards. The customer care function has evolved over the past few years, and we will continue to improve as we roll out our

Customer Relations Management (CRM) blueprint. The establishment of five administrative regions for the City has also assisted to make us more accessible to communities.

Key performance indicators that are reported on a monthly basis and have achieved or exceeded target are as follows:

## B KEY RESULTS

### Optimise effective participation in the ward committee system

- 86 ward committee meetings took place and 64 were postponed. These were not necessarily for the IDP and budget against a target of 60 set for the year. With the implementation of the region based administrative system, the outlook for the forthcoming year is very optimistic. 18,1% of households prefer communication through Public Ward Council meetings;
- 65% of residents surveyed indicate satisfaction.

### Implement Batho Pele Principles

- 1,058,420 complaints were received in the reporting year;
- 97% of complaints were referred to and resolved by core functions within the timeframe specified, compared to 90% the previous year;
- 665,611 customers were processed;
- 512,588 calls were processed and referred;
- The NRS standards are critical standards that measure the City of Tshwane's ability to provide electricity. The City runs the risk of losing our licence should we not comply/ or meet these standards. We are achieving 100% compliance with NRS 048 and 76% success in terms of NRS 047;
- It is important that the administration is responsive to the queries of the community regarding services. On average the Water Distribution Section receives 2,500 water and 2,000 sanitation related customer complaints. The division responded to 79% of water queries (target 75%) and 75% of sanitation within 48 hours (target 80%). The division has room to improve their responsiveness and will continue to put in place measures and resources to reach acceptable response levels;
- 97% of complaints due to dangerous road situations were addressed within two days (target is 90% for 2008/09);
- 99,7% of complaints about traffic signals were responded to within one day.

Other aspects of addressing the needs of the community to ensure complete accessibility to the customer care facilities of the Municipality include:

- The Old Raadsaal building is wheelchair accessible/friendly;
- All the facilities/buildings at the Fresh Produce Market are accessible to people with disabilities, except the first floor of the Market Management Building which has no lift. Provision has been made to install a lift in the building early in the new (2009/10) financial year.

- The Tourism Information Office at the Old Nederlandsche Bank building is wheelchair accessible/friendly;
- The ticket office/customer care office of the Tshwane Bus Services at Church Square is wheelchair friendly.

There has also been a strategic focus in upgrading the communication system for our customers, with the implementation of the following initiatives.

- **Site for the deaf**

The main aim of this project is to facilitate communication in the 11 official languages. However, it is apparent that the needs of the Deaf and foreign-language speakers warrant attention. The City of Tshwane, being the capital city, has proven to be one of the most diverse municipalities, if not the most. This project has proposed that at least three (3) foreign languages be included in the project, depending on the demand; especially for clinics in the City Centre.

It is thus proposed that while foreign languages can be accommodated alongside the official languages, an additional site for South African Sign Language (SASL) will have to be identified, possibly at the Munitoria Customer Care Centre, which is central for most people. To facilitate communication and access to information and services for the deaf community, the Telephone Interpreting Project will provide SASL interpreting service via a videophone. This system makes it possible for a customer to be connected to an interpreter at the touch of a button.

The videophone system is easy to use because it is activated in the same way as any other telephone by dialling the number on the videophone. As soon as the telephone on the other side is answered, both sides are connected, showing the picture on the screen and transmitting sound at the same time.

**Water and Sanitation**

The Division has established a Consumer Management Unit to interact with the communities on water awareness education and training. Effective stakeholder forums were established which are inclusive and foster a non-racial, non sexist, democratic, caring and prosperous society, focused on achieving the city's socio-economic goals.



### 2.1.5 TO ENSURE GOOD GOVERNANCE, FINANCIAL VIABILITY AND OPTIMAL INSTITUTIONAL TRANSFORMATION WITH CAPACITY TO EXECUTE ITS MANDATE

- Improving systems and processes to ensure spending on priorities more rapidly;
- Continuously improving mechanisms to hold senior management and the administration accountable;
- Improving revenue collection and billing.

This area of focus has attempted to develop firm foundations for service delivery. It is also a key component of the City Development Strategy (CDS). Core components of our initiatives in this area have included:

- Development of an efficient administrative component to deliver services to the community;
- Development and provisioning of information technology to enable internal operations centreed on service delivery;
- Human resource management initiatives that keep the work-force safe and motivated to deliver services;
- Ensuring and measuring compliance with legislation;
- Improving the financial sustainability of the Municipality;
- Maintenance and development of municipal offices, including those in the newly established regions;
- Fleet management; and
- Risk management.

#### A STRATEGIC FOCUS

- Financial management to ensure financial viability;
- Sound HR management (institutional capacity to execute the mandate);
- Institutional transformation; and
- Good governance.

#### B KEY RESULTS

**Ensure sound HR management in the City**

The number of people from employment equity target groups employed in the three highest levels of management, in compliance with a municipality's approved employment equity plan (NKPI).

- 11,825 employees received training in the current financial year;
- The EE targets approved by the Mayoral Committee on 23 July 2008 are 80% for designated groups with specific emphasis of 50% targeted for females.

The Customer Relations Management (CRM) Division presented the 2009 Tshwane Service Excellence Awards (TSEA), and also prides itself on producing winners. The TSEA was implemented to support the Municipality's mission of providing excellent services to its customers. The TSEA provides the leverage needed to move municipal services away from the bureaucratic culture of an inward focus on red tape; shifting the focus externally to the citizens, whereby they are put first in everything the Municipality acts in line with the Batho Pele Principles. The awards recognise and acknowledge outstanding individual and team achievement which has significantly contributed to improving service delivery in general.

Employees were recognised and rewarded for excellent service at the Service Excellence Awards which included the following categories:

- Innovation;
- Best employee of the year;
- Women in technical fields;
- Outstanding mentor and team development;
- Customer service;
- Administrative and auxiliary support;
- Team building;
- Top achiever;
- Best department;
- Valour award; and
- Cost management awards.

The Roads and Stormwater Division featured in four categories of the Mayoral Service Excellence awards for 2008/09. The Division provided the winners in the categories for Women in the Technical Field and the Cost Management Categories, and provided the second runners up in the Employee of the Year and the Administrative and Auxiliary Support Categories.

**Batho Pele Awareness Programmes**

Last year, the City was ALSO recognised for its excellent work in a number of areas and has garnered a number of prestigious awards. Just to mention a few, the city won the following:

Rietvlei Water Treatment Works, fully owned and operated by the City of Tshwane, was awarded the Most Presentable Medium Sized Water Treatment Works for 2009. This Water Treatment Works (WTW) was built in 1934 and provided 18 Mℓ of drinking water to supplement Pretoria's drinking water supply. Since then, the WTW has been upgraded and produces about 6% (37 Mℓ) of the drinking water in the city. The WTW was also the first site where the application of the Dissolved Air Flo and Filtration process (DAFF) was implemented in 1998. The Granular Activated Carbon (GAC) system upgrade was completed in 1999 and is the first

operational application of open bed gravity filters for drinking water in South Africa. The plant is situated at the Rietvlei Dam in the Rietvlei Nature Reserve and is in operation 24 hours a day. The whole process of treatment from dam water to drinking water takes only 6 hours. An ozone plant will be added to the water treatment works soon in order to maintain a multiple barrier approach to ensuring that the drinking water provided by the Rietvlei WTW is of excellent quality.

The Agriculture and Environmental Management Department participated in the Sunday Tribune Garden and Leisure Show in Pietermaritzburg from 3 to 5 October 2008 and received a Golden Award.

The Nature Conservation Subsection participated in the TSHWABAC International Show held from 27 August to 7 September 2008 with the aim to promote our natural heritage in the City of Tshwane and to promote Tshwane as a tourist destination. The display included the handout of brochures, representative photographs of activities, etc. A Gold Medal was awarded to the Nature Conservation Subsection for the design, construction, special effects, traffic flow, presentation, message and housekeeping.

The Department was awarded the first prize and first runner up in the Team Building Category during the Service Excellence Awards.

The Public Works division won first prize in the DEWA (DWAF) 2009 'Water Conservation and Water Demand Management – Sector Awards 2009.



Other key performance indicators in this specific category that achieved within targeted parameters are:

- 90% of all grievances within the City of Tshwane were processed to agreed target and timelines;
- The target set for injuries on duty in the prior year of less than 200 was unrealistic based on the total City of Tshwane employment figure of over 13,000 employees and its previous safety record. The City of Tshwane recorded 687 incidents. The indicator has

been changed for the 2009/10 year to reflect the No. of Section 24 Incidents (lost time accidents);

- All prescribed legislative requirements were complied with for performance reports submitted within legislated timeframes for approval.

# 3 – ORGANISATIONAL DEVELOPMENT

## 3.1 INTRODUCTION

### 3.1.1 THE HUMAN DEVELOPMENT POLICY (HDP)

The impetus for designing a Human Development Policy for Tshwane arose from the need to give effect to the City Development Strategy (CDS) and the City's vision as it relates to human development.

A process was embarked on to confirm the issues and challenges identified, introducing policy options to address the identified issues and their implications; accountability was determined; overlaps in mandates and areas of cooperation among the different spheres of government were identified; and a consolidated planning and implementation framework was developed. Each City of Tshwane Department defined its role regarding each policy recommendation.

The policy states that a number of major human development issues need to be addressed to improve the quality of life of the people of Tshwane, as reflected in the CDS.

The policy is designed to provide a framework in which a common approach will be used to implement the human development commitments made by the various departments in the form of different strategies, plans, programmes or projects. It recognises human wellbeing as the product of development and emphasises that human development requires multisectoral interventions. Consistent with national and international views on development, and adhering to the objectives set for local government, Tshwane has placed people at the centre of its development strategies.

The City of Tshwane has committed itself to resolving human development concerns in a comprehensive manner within the framework of its overall development strategies as contained in the CDS and, guided by and vested in a broader provincial, national and international framework. The vision of this policy is to contribute towards the establishment of a sustainable environment in which the people of Tshwane are able to develop and achieve their full potential and lead productive lives in an inclusive manner. The policy aims to bring about changes in the determinants of the City's development trends to ensure that these trends are in step with sustainable human development pursuits in a stable environment.

### 3.1.2 THE HUMAN RESOURCE DEVELOPMENT STRATEGY (HRD)

The City of Tshwane has embarked on the development of critical development strategies that will ensure sustainable institutional growth and compositeness. One of the strategies being the City Development Strategy. It was thus critical that a HRD Strategy be developed to ensure that the relevant competencies are developed and monitored so as to enable the City of Tshwane's

human resource contingent to respond to the undertaking of the CDS, and also enhance the implementation thereof.

The HRD strategy takes into account the following:

- Customer and financial perspectives;
- Sector skills plan;
- National capacity-building strategy for local government; and
- Provision of guidance on public-private partnerships in terms of service providers.

The purpose of the HRD Strategy is to provide a framework that ensures integrated HRD planning and implementation, monitored institutional-wide and at departmental level, with progress measured against predefined indicators.

Section 68 of the Municipal Systems Act (Act 32 of 2000) states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for its purpose must comply with the Skills Development Act (Act 97 of 1998) and the Skills Development Levies Act (Act 9 of 1999). The HRD was designed and developed in the spirit of the above legislation.

The above national, provincial legislation and directives alongside the City of Tshwane's CDS collectively form the development agenda for the City. Therefore, the HRD strategy development initiative, dovetails with the City's development agenda to form an institution-wide strategic context for the development of the City of Tshwane's human asset.

The City of Tshwane Human Resources Development Strategy is addressed through five priorities.

**HRD Strategic Priorities:**

1. To develop the employees of the City of Tshwane to perform optimally, thus ensuring service delivery.
2. To implement the appropriate governance structures to effectively control, monitor and manage the learning experience within the City of Tshwane.
3. To support learning and development within the City of Tshwane through industry-based competency development, innovation, research and development.
4. To ensure that the skills and competencies of the Tshwane youth within manufacturing, government and business services are developed and enhanced.
5. To ensure effective and sound financial management.

**HRD Strategic Intents:**

**Learning and Growth**: Empower and enable the City of Tshwane's staff with skills and competencies to effectively deliver to their customers.

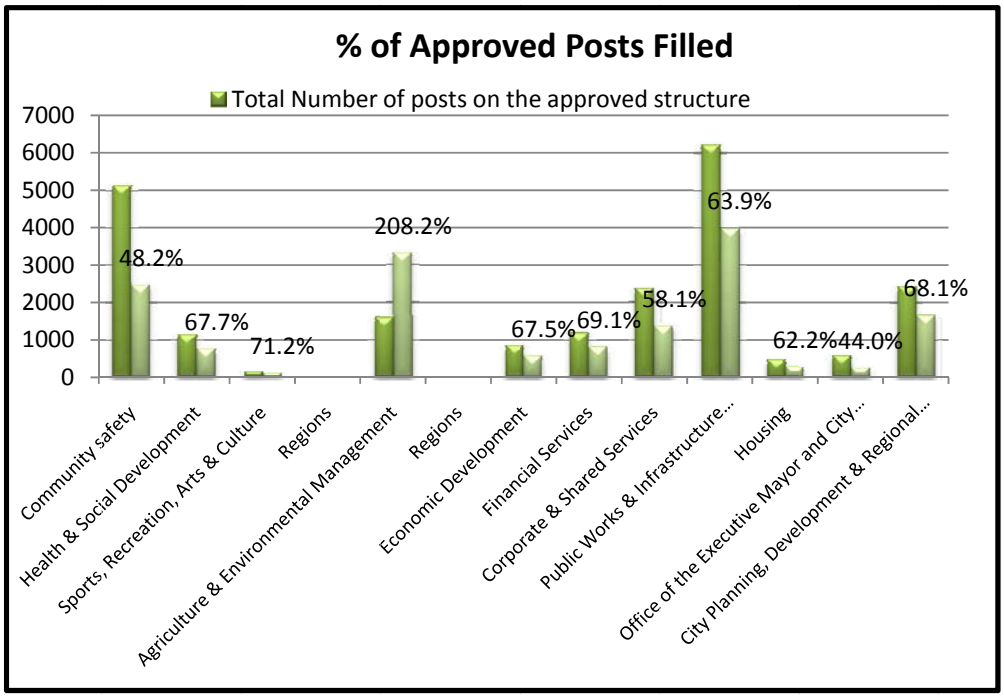
**Internal Business Processes:** Ensure that the internal processes are simple, cost effective and manageable, while constantly looking for innovative ways of working.

**Customer/Stakeholder:** Provide suitable, cost effective training and development solutions that meet both internal and external customer requirements.

**Financial Perspective:** Optimise cost structure and cost recovery.

## 3.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE GOVERNANCE

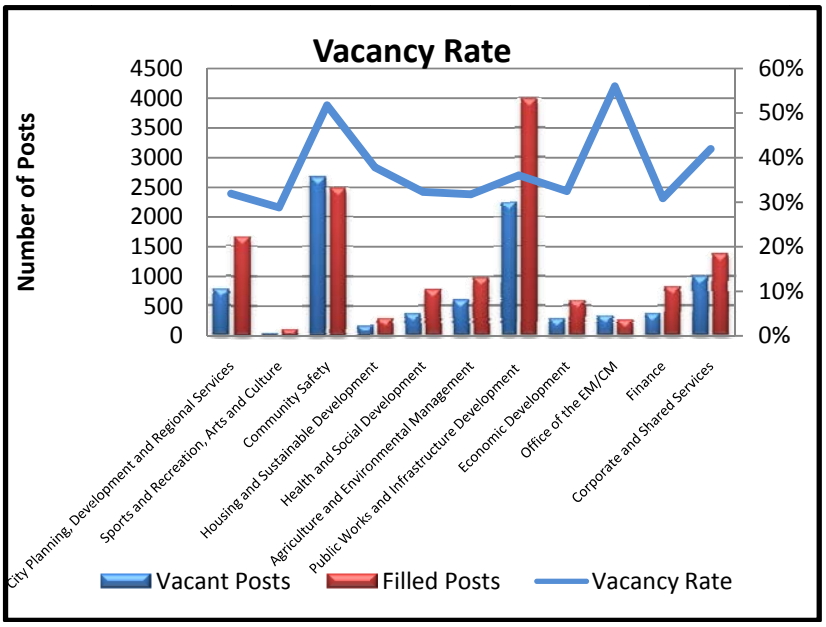
### 3.2.1 NUMBER OF EMPLOYEES




Department of Agriculture and Environmental Management filled more than double the number of posts approved. This was as a result of the restructuring of the division that occurred in the current reporting period.

In all other departments there is a significant shortfall in approved posts filled as illustrated in the accompanying diagrams. The impact of the shortage of manpower resources and departmental capacity to operate at optimum efficiency levels cannot be effectively measured at this point of time.

### 3.2.2 VACANCY RATE

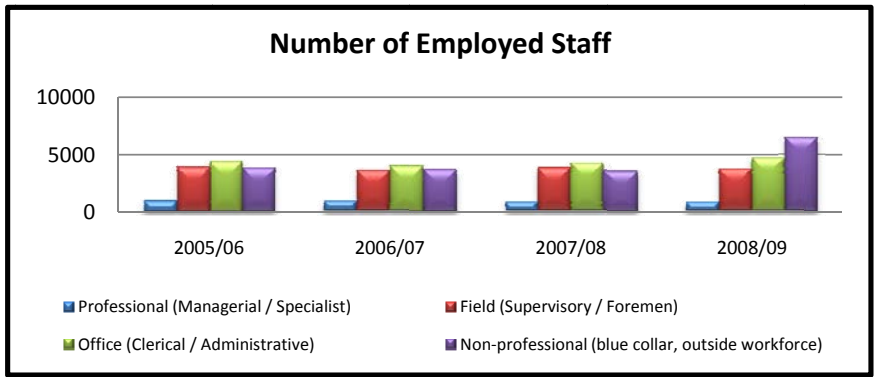


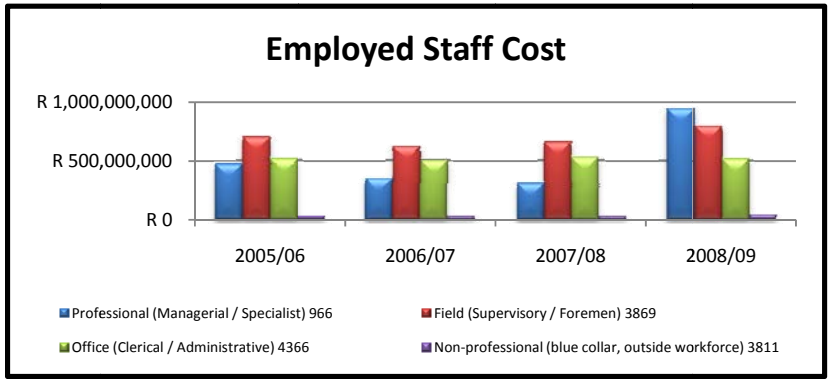

The vacancy rate of the City of Tshwane on average is **37,44%.** The Office of the Executive Mayor and City Manager had the highest vacancy rate through the financial year, but only accounts for 2,5% of total departmental posts. Community Safety filled 50% of their 5,152 approved posts, accounting for 23% of total departmental posts.

## 3.2.3 TURN OVER RATE

### A STAFF INFORMATION

| Number and cost to employer of all municipal staff employed: | 2005/6 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|
| | *Number* | *R* | *Number* | *R* | *Number* | *R* | *Number* | *R* |
| TOTAL | *13 012* | 1 728 302 762 | *12 179* | 1 857 925 469 | *12 939* | 1 973 864 656 | *15 734* | *2 311 404 400* |
| Professional (Managerial/Specialist) | *966* | 472 947 562 | *908* | 35 154 989 | *803* | 31 089 709 | *826* | *948 152 040* |
| Field (Supervisory/Foremen) | *3 869* | 702 821 628 | *3 600* | 62 153 978 | *3 760* | 65 916 377 | *3 728* | *798 982 680* |
| Office (Clerical/Administrative) | *4 366* | 516 801 636 | *3 977* | 50 198 691 | *4 193* | 52 925 097 | *4 696* | *519 076 020* |
| Non-professional (blue collar, outside workforce) | *3 811* | 35 731 936 | *3 694* | 27 458 445 | *3 559* | 28 454 955 | *6 484* | *45 193 660* |



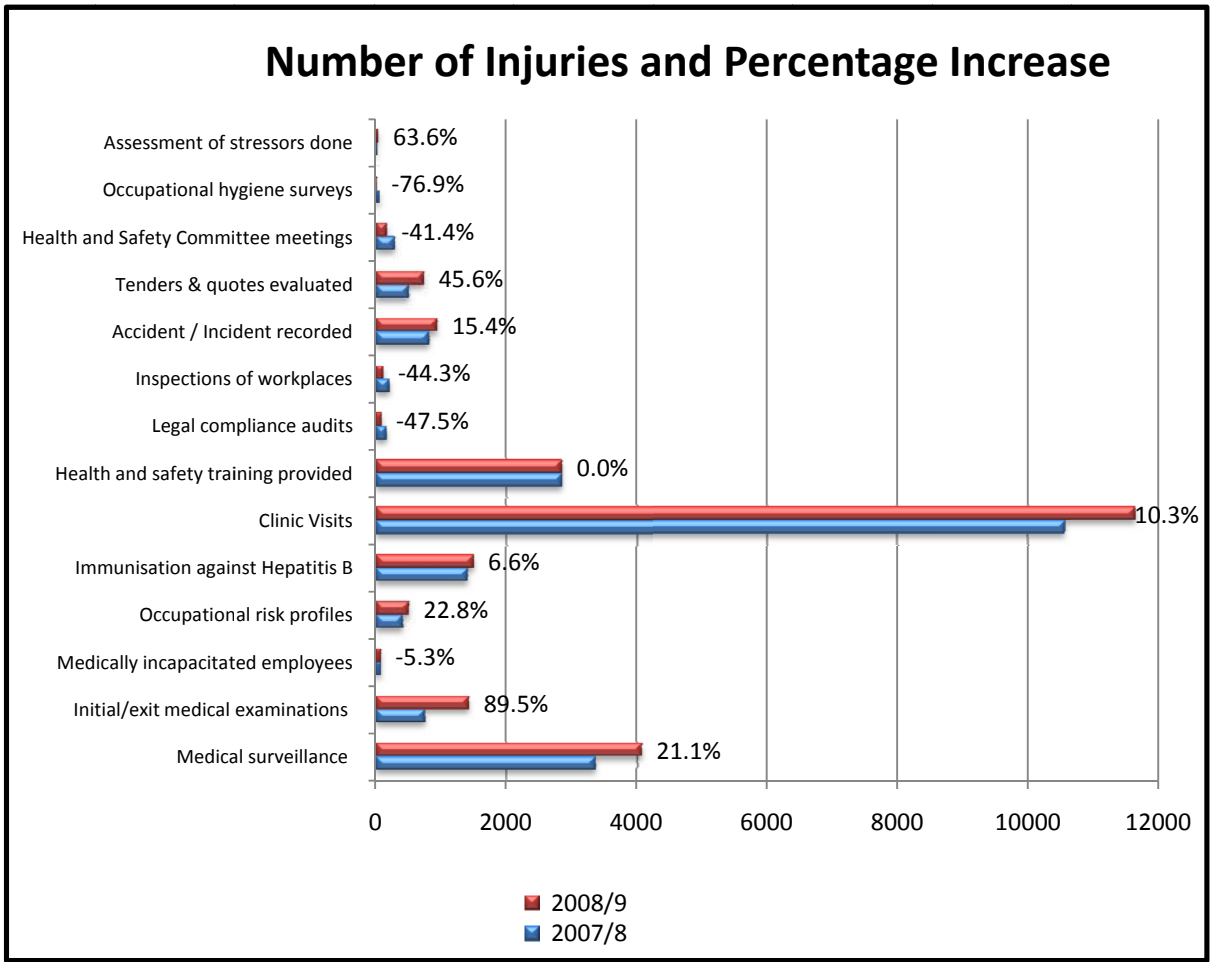
The table below reflects the number of staff employed by the Municipality and gives a breakdown per key function

| Key Function | 2004/05 | | 2005/06 | | 2006/07 | | Key Function | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number of posts | Number of posts filled | Number of posts | Number of posts filled | Number of posts | Number of posts filled | | Number of posts | Number of posts filled | Number of posts | Number of posts filled |
| Service Delivery | 2 670 | 1 874 | 2 670 | 1 820 | 2 670 | 1 766 | Public Works and Infrastructure Development | 2 670 | 1 688 | 6 241 | 3 991 |
| Electricity | 2 878 | 1 923 | 2 878 | 1 935 | 2 878 | 1 879 | Electricity | 2 878 | 1 795 | Part of Public Works and Infrastructure | |
| Housing, City Planning and Environmental Management | 3 696 | 2 784 | 3 696 | 2 480 | 3 696 | 2 429 | Housing | 3 696 | 2 349 | 465 | 289 |
| | | | | | | | City Planning Development and Regional Services | | | 2 453 | 1 670 |
| Social Development | 1 546 | 932 | 1 546 | 953 | 1 546 | 923 | Health and Social Development | 1 546 | 893 | 1 148 | 777 |
| Emergency Management Services | 1 286 | 559 | 1 286 | 748 | 1 286 | 664 | Emergency Management Services | 1 286 | 755 | Part of Health and Social Development | |
| Metropolitan Police | 3 094 | 1 615 | 3 094 | 1 621 | 3 435 | 1 582 | Community Safety | 3 435 | 2 131 | 5 152 | 2 485 |
| Corporate Services | 1 782 | 1 396 | 1 782 | 1 590 | 1 782 | 1 449 | Corporate and Shared Services | 1 782 | 1 614 | 2 382 | 1 383 |
| Legal and Secretarial Services and Municipal Courts | 338 | 192 | 338 | 200 | 338 | 186 (182) | Agriculture and Environmental Management | | | 1 603 | 3 338* |
| Economic Development and Tourism | 974 | 626 | 974 | 763 | 974 | 642 | Economic Development and Tourism | 974 | 689 | 880 | 594 |
| Finance | 1 208 | 862 | 1 208 | 677 | 1 208 | 642 | Finance | 1 208 | 646 | 1 197 | 827 |
| Marketing | 67 | 28 | 67 | 24 | 67 | 23 (24) | Sport, Recreation, Arts and Culture | | | 163 | 116 |
| Governance Operational Support | 150 | 262 | 150 | 111 | 156 | 107 | Governance Operational Support | 156 | 107 | Part of the Office of the Executive Mayor and City Manager | |
| Office of the Chief Operating Officer | 25 | 19 | 25 | 13 | 25 | 12 | | | | | |
| Office of the City Manager | 99 | 35 | 99 | 44 | 109 | 46 | Office of the Executive Mayor and City Manager | 109 | 54 | 600 | 264 |
| **TOTAL** | **19 813** | **13 107** | **19 813** | **12 979** | **20 170** | **12 331** | | **20 170** | **12 939** | **22 284** | **15 734** |

## 3.3 MANAGING THE MUNICIPAL WORKFORCE

### 3.3.1 INJURIES

The reporting method of reporting injuries on duty will be revised in the forthcoming year to reflect the number on Section 24 incidents experienced. Section 24 incidents are reportable accidents in terms of the Occupational Health and Safety Act, and relates to incidents that result in an injury that incapacitates the employee to a degree that he is unable to return to his normal work duties within a 48 hour period.



### 3.3.2 HUMAN RESOURCE PRACTICES AND POLICIES

| EXISTING POLICY (to be renewed) | NEW POLICY (to be developed) |
|---|---|
| Waiving of appointment requirement: Pinning principle | Relocation of Permanent Employees |
| Acting Policy | Policy for the use of personnel agencies |
| Human Resource Development Policy | Desertion Policy |
| Grading Scheme Appointment requirement guideline/procedures | Identification and handling of scarce employees (could be addressed as part of Remuneration as well as Retention strategy) |
| Accelerated progression | Closure of non-essential municipal offices during December recess |
| Negotiated appointment notch | Management of Leave and Absenteeism |
| Delegated authorities for certain grading scheme aspects | Policy on the control of Hazardous Biological Agents in the workplace |
| HIV and Aids Policy | Retention Strategy |
| Drug and Alcohol Policy | Utilisation of pregnant employees in Emergency and Metro Police Services |
| Career Management Policy | Retrenchment Policy |
| Change of shifts systems in Emergency Services | RPL Policy |
| Traffic Surveyors Policy | Dress code |
| Bursary Policy | Experiential training Policy |
| Management of Sick leave Policy | Policy on Relocation Cost of employees appointed by other Municipalities |
| Medical Surveillance Policy | Workforce Planning |

### 3.3.3 EMPLOYMENT EQUITY

The table below represents the EE plan for the top three occupational level positions (64) approved on the organisational structure as per Mayoral Committee resolution dated 23 July 2008:

| Gender | Designated Groups (80%) | | Non Designated (20%) | Total (100%) |
|---|---|---|---|---|
| | MALES (40%) | FEMALES (40%) | MALES (20%) | 100% |
| Representation in numbers (as per MAYCO resolution) | 26 | 25 | 13 | 64 |
| Positions filled as at 30/06/09 | 27 | 24 | 2 | 53 |
| Representation: Over (-)/Under (+) | -1 | +1 | +11 | |

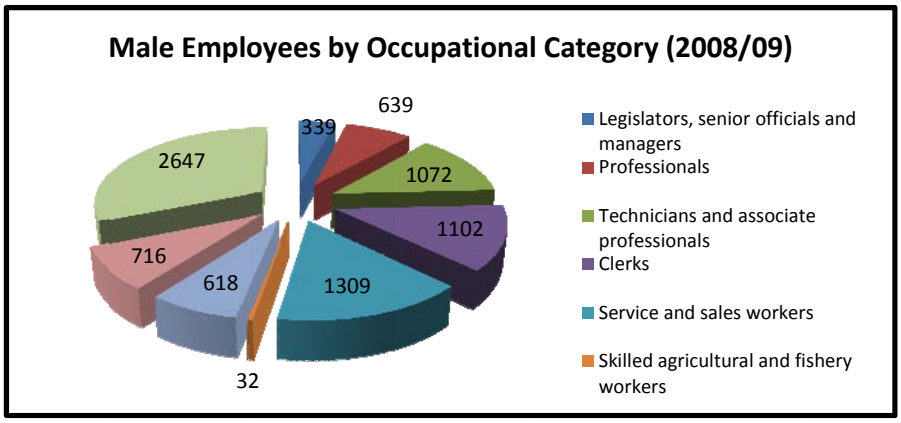
It is evident from the information in the table above that the designated male group is over represented by 1, the designated female group is under represented by 1, and that the non designated male group is under represented by 11. To ensure that the five-year target will be reached by June 2011, it is recommended that in future only members of the underrepresented groups should be considered for the filling of vacancies.

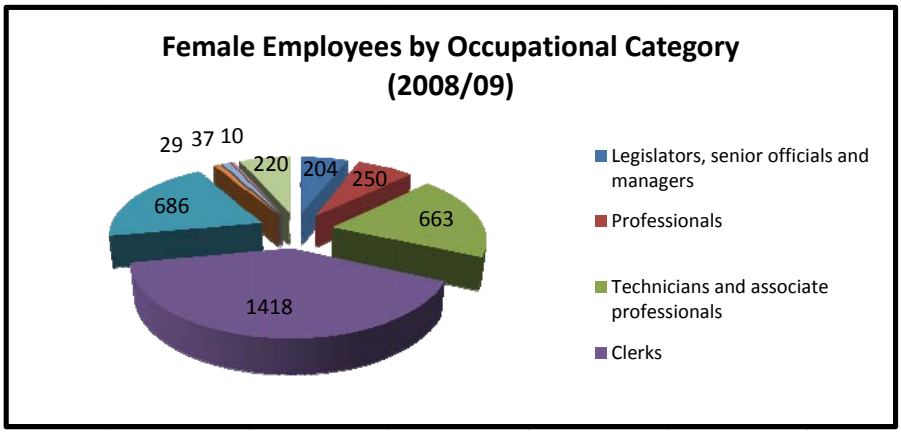
## A PROGRESS IN THE IMPLEMENTATION OF THE APPROVED EMPLOYMENT EQUITY PLAN

- All departments participated in the preparation, implementation and monitoring of the EE Plan.
- All departments had awareness sessions to inform the employees on the provisions of the EE Act.
- Benchmarks were done to compare with other Metros.
- Awareness done on disability issues which emanated into a forum dealing with People with Disabilities.
- With regard to diversity, focus groups meetings were conducted with the purpose of soliciting inputs from employees on the development of diversity policy framework for City of Tshwane.

Specific occupational categories that prove to be a major challenge in meeting the numerical targets towards the 80% representation as accepted by Council, are the Professionals and the Artisans, especially in the Roads and Stormwater Division. To meet these challenges the Division will continue the recently launched learnership programme for road building artisans in its Infrastructure Maintenance Management Section and the two Mentorship programmes for Engineering professionals. These programmes entail cooperation with the DBSA and SAICE in as far as the utilisation of a retired professional as a mentor. The other programme endeavors' to assist young professionals to obtain the status of professionally registered Engineers, Technologists or Technicians in accordance with the Engineering Professions Act of SA.

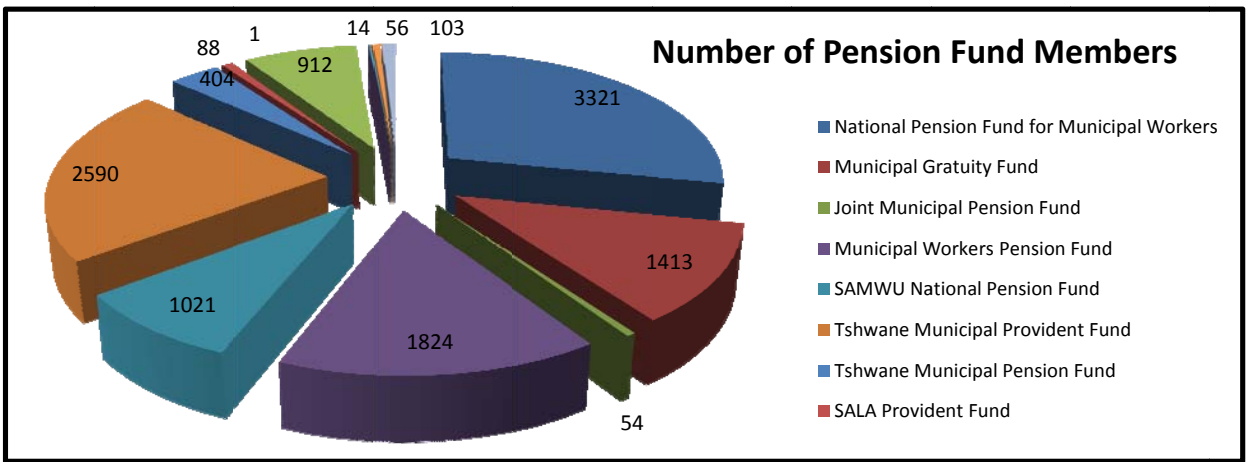
| Occupational Categories | 2007/08 | | | | | | | | | | | 2008/09 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Male | | | | | Female | | | | | Total | Male | | | | | Female | | | | | Total |
| | African | Coloured | Indian | White | Total | African | Coloured | Indian | White | Total | | African | Coloured | Indian | White | Total | African | Coloured | Indian | White | Total | |
| Legislators, senior officials and managers | 35 | 3 | 3 | 40 | 81 | 11 | | 1 | 14 | 26 | **107** | 174 | 13 | 11 | 141 | 339 | 114 | 6 | 7 | 77 | 204 | **543** |
| Professionals | 171 | 9 | 8 | 338 | 526 | 74 | 3 | 2 | 91 | 170 | **696** | 196 | 11 | 8 | 424 | 639 | 128 | 8 | 1 | 113 | 250 | **889** |
| Technicians and associate professionals | 508 | 27 | 10 | 734 | 1279 | 462 | 22 | 19 | 407 | 910 | **2189** | 528 | 21 | 7 | 516 | 1072 | 424 | 20 | 9 | 210 | 663 | **1735** |
| Clerks | 508 | 29 | 13 | 204 | 754 | 535 | 75 | 21 | 643 | 1274 | **2028** | 706 | 46 | 13 | 337 | 1102 | 641 | 83 | 27 | 667 | 1418 | **2520** |
| Service and sales workers | 1142 | 36 | 9 | 430 | 1617 | 492 | 7 | 1 | 48 | 548 | **2165** | 1041 | 30 | 9 | 229 | 1309 | 558 | 17 | 4 | 107 | 686 | **1995** |
| Skilled agricultural and fishery workers | 25 | 1 | 1 | 28 | 55 | 4 | | | 13 | 17 | **72** | 23 | 0 | 0 | 9 | 32 | 27 | 0 | 0 | 2 | 29 | **61** |
| Craft and related trades workers | 827 | 9 | 2 | 378 | 1216 | 21 | | | 10 | 31 | **1247** | 354 | 2 | 2 | 260 | 618 | 30 | 0 | 0 | 7 | 37 | **655** |
| Plant and machine operators and assemblers | 718 | 4 | 1 | 142 | 865 | 10 | | | 6 | 16 | **881** | 637 | 4 | 0 | 75 | 716 | 2 | 1 | 0 | 7 | 10 | **726** |
| Elementary occupations | 2252 | 11 | | 211 | 2474 | 198 | 3 | | 3 | 204 | **2678** | 2590 | 12 | 1 | 44 | 2647 | 213 | 2 | 2 | 3 | 220 | **2867** |
| **TOTAL** | **6186** | **129** | **47** | **2505** | **8867** | **1807** | **110** | **44** | **1235** | **3196** | **12063** | **6249** | **139** | **51** | **1853** | 8292 | **2137** | **137** | **50** | **1193** | 3517 | **11809** |
| **Skill Categories** | **2007/08** | | | | | | | | | | | **2008/09** | | | | | | | | | | |
| Non-permanent employees | | | | | 0 | | | | | 0 | **0** | 2372 | 10 | 1 | 38 | 2421 | 663 | 8 | 0 | 46 | 717 | **3138** |
| Top Management | 26 | 1 | 1 | 2 | 30 | 23 | 1 | 1 | | 25 | **55** | 9 | 0 | 0 | 0 | 9 | 3 | 0 | 0 | 1 | 4 | **13** |
| Senior Management | 31 | 3 | 2 | 77 | 113 | 4 | | 1 | 16 | 21 | **134** | 165 | 14 | 11 | 141 | 331 | 111 | 6 | 7 | 77 | 201 | **532** |
| Prof qualified and experienced specialists and mid-management | 118 | 10 | 7 | 400 | 535 | 65 | 4 | 2 | 148 | 219 | **754** | 333 | 17 | 11 | 380 | 741 | 226 | 18 | 3 | 207 | 454 | **1195** |
| S. Tech, Ac qualified work; Junior management, Supervisors, Foremen Superintendants | 1032 | 46 | 18 | 1246 | 2342 | 576 | 32 | 17 | 576 | 1201 | **3543** | 950 | 24 | 9 | 726 | 1709 | 582 | 32 | 13 | 316 | 943 | **2652** |
| Semi-skilled and discretionary decision making | 2329 | 47 | 19 | 515 | 2910 | 931 | 70 | 23 | 488 | 1512 | **4422** | 2054 | 70 | 20 | 567 | 2711 | 977 | 79 | 25 | 537 | 1618 | **4329** |
| Unskilled and Defined decision making | 2650 | 22 | | 265 | 2937 | 208 | 3 | | 7 | 218 | **3155** | 2738 | 14 | 0 | 39 | 2791 | 238 | 2 | 2 | 55 | 297 | **3088** |
| **TOTAL** | **6186** | **129** | **47** | **2505** | **8867** | **1807** | **110** | **44** | **1235** | **3196** | **12063** | **6249** | **139** | **51** | **1853** | **8292** | **2137** | **137** | **50** | **1193** | **3517** | **11809** |



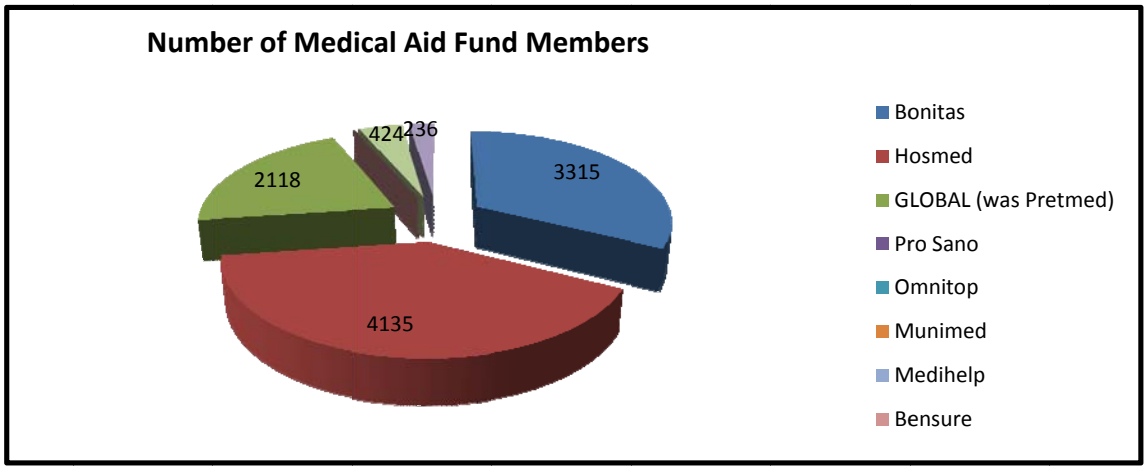

### 3.3.4 PENSION FUNDS

The National Pension Fund for Municipal Workers remains the fund with most members. The Government Employees Pension Fund lost 93% of their members over the course of the last year.



### 3.3.5 MEDICAL AID FUNDS

The most popular medical aid fund was Hosmed, although Bonitas gained the most new members.




### 3.3.6 EMPLOYEE PERFORMANCE REWARDS

The City of Tshwane has during the financial year 2008/09 further enhanced the implementation of Regulation 805, the regulation that manages the performance of the City Manager and directly reports to the City Manager, by implementing an automated performance management system. The system was launched on 19 June 2009 and will be used to conduct the year end review of organisational level 1-3 managers for the financial year 2008/09 review period.

Although the policies for Section 57 as well as permanent employees have not been approved during the financial year 2008/09 review period additional policies have been developed to address aspects of performance rewarding of permanent employees, a performance management gap which was identified in the successful implementation of performance management of permanent employees. In contrast to previous years the financial year 2008/09 was also characterised by an improved alignment of individual performance agreements/scorecards to the City of Tshwane Service Delivery and Budget Implementation Plan.

## 3.4 BUILDING THE CAPACITY OF THE MUNICIPAL WORKFORCE

The Tshwane Leadership and Management Academy has been established to address the training and development needs of employees. A strategy document has been approved that will drive this initiative. Various important strategically aligned learning programmes such as an Economics course, the MFMA course and the Middle Management Development course have been presented in partnership with the University of Pretoria to capacitate employees. The City of Tshwane was recognised for its efforts by receiving an award for the Best Learning site of the Year from the LGSETA.

### 3.4.1 SKILL MATRIX

Detailed information is reported in the Workplace Skills Plan and the Annual Training report as submitted to the LGSETA to meet their requirements.

#### A SKILLS DEVELOPMENT

| 2005/6 | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| A total number of 7,238 people were trained in terms of skills priorities.<br>3,690 people were trained in SAP computer system transactions.<br>The overall number of people who were trained during 2005/06 is 10,928 | A total number of 7,554 individuals were trained in terms of skills priorities including OITPS training. | A total number of 8,078 individuals were trained in terms of skills priorities, excluding OITPS training. | 6588 overall number trained.<br>Target was 5500 |
| Total expenditure on training for various skills priorities was R4,628,063.02 | A total expenditure on training for various skills priorities was R6,615,081.19 | The total expenditure on training for various skills priorities was R5,036,788.17 | The total expenditure on training for various skills priorities was R4,699,869.52 |

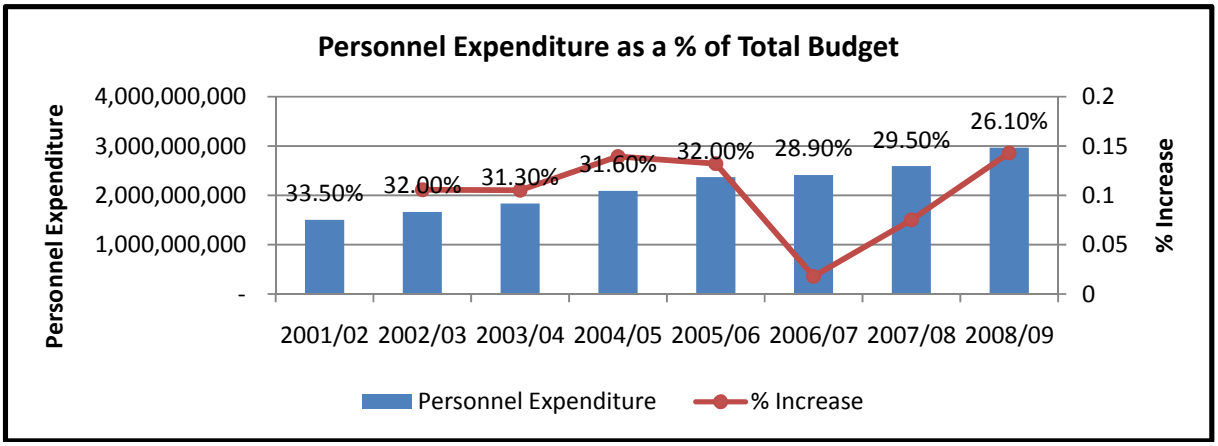
#### Skills Development Budget

| | | |
|---|---|---|
| Skills levies paid: | R | 19,454,611,00 |
| Bursaries spent : | R | 3,573,763,16 |
| Learnerships and apprenticeships for 2008/09: | R | 781,468,79 |

## 3.5 MANAGING THE WORKFORCE EXPENDITURE

### 3.5.1 TRENDS IN PERSONNEL EXPENDITURE

The following graph illustrates the situation with regards the number of unfilled approved posts:




## 3.5.2 DISCLOSURES

The following table reflects the remuneration packages of the Section 57 employees:

| Incumbent | Pay number | Designation | Remuneration package per annum (2008/09) R | Performance Bonus R |
|---|---|---|---|---|
| KD Kekana | 10003042 | City Manager | 1 161 504 | Bonuses will be paid out when the 2008/09 Annual Report is audited by the Auditor General |
| M Lekgoro | 10004909 | Strategic Executive Director: Strategy and Operations | 815 472 | |
| NV Makhari | 10003848 | Chief Financial Officer | 999 252 | |
| H Msimang | 10002322 | Strategic Executive Director: Community Safety | 918 736 | |
| M Makwarela | 10004797 | Strategic Executive Director: Agriculture and Environmental Management | 786 132 | |
| N Lukhwareni | 00500419 | Strategic Executive Director: Public Works and Infrastructure Development | 952 428 | |
| J de Beer | 00505958 | Strategic Executive Director: Health and Social Development | 770 712 | |
| M Phora | 00504898 | Strategic Executive Director: Housing and Sustainable Human Settlement Development | 918 744 | |
| Vacant | Vacant | Strategic Executive Director: Corporate and Shared Services | Vacant | |
| T Mhlekwa | 10004903 | Strategic Executive Director: Economic Development | 879 168 | |
| O Nkoane | 10005868 | Strategic Executive Director: City Planning Development and Regional Services | 918 744 | |
| GM Nkwane | 10004049 | CEO: 2010 | 966 744 | |
| P Aborn | 00500427 | Programme Manager: Tshwane House | 1 047 528 | |

**Disclosures Concerning Councillors, Directors and Senior Officials for the period 1 July 2008 to 30 June 2009**

| Description | Mayor | Members of the MC (list individually) | Total | Mayor | Members of the MC (list individually) | Total | Mayor | Members of the MC (list individually) | Total |
|---|---|---|---|---|---|---|---|---|---|

| Description | Mayor | Members of the MC (list individually) | Total | Mayor | Members of the MC (list individually) | Total | Mayor | Members of the MC (list individually) | Total |
|---|---|---|---|---|---|---|---|---|---|
| Salaries and Wages R'000 | 2006/07 | | | 2007/08 | | | 2008/09 | | |
| Normal | R527 223.75 | | R15 066 097.65 | | | | R643 695 | | |
| Mamonare Patricia Chueu | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Tessa Ernest | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Subesh Pillay | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Absolom Molafo Ditshoke | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Sonto Sophia Thipe | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Zodwa Lydia Masondo | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Boesman William Mahlangu | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Cornelius Thipe Mokoena | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Gabriel Twala | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Dikeledi Joahanna Lehobye | | R395 418.16 | | | R434 929 | | | R482 771 | |
| Travel and Motor Car | R175 741.25 | | R1 493 797.15 | | R4 349 290 | | | R4 827 710 | |
| Mamonare Patricia Chueu | | R131 805.59 | | | R144 976 | | | R160 923 | |
| Tessa Ernest | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Subesh Pillay | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Absolom Molafo Ditshoke | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Sonto Sophia Thipe | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Zodwa Lydia Masondo | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Boesman William Mahlangu | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Cornelius Thipe Mokoena | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Gabriel Twala | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Dikeledi Joahanna Lehobye | | R395 418.16 | | | R144 976 | | | R160 923 | |
| Other benefits and allowances (specify) R '000 | R26 227,00 | | R157 267,00 | | R1 449 760 | | | R1 609 230 | |
| Mamonare Patricia Chueu | | R131 104,00 | | | | | | | |
| Tessa Ernest | | R131 104,00 | | | | | | | |
| Subesh Pillay | | R131 104,00 | | | | | | | |
| Absolom Molafo Ditshoke | | R131 104,00 | | | | | | | |
| Sonto Sophia Thipe | | R131 104,00 | | | | | | | |
| Zodwa Lydia Masondo | | R131 104,00 | | | | | | | |
| Boesman William Mahlangu | | R131 104,00 | | | | | | | |
| Cornelius Thipe Mokoena | | R131 104,00 | | | | | | | |
| Gabriel Twala | | R131 104,00 | | | | | | | |
| Dikeledi Joahanna Lehobye | | R131 104,00 | | | | | | | |

## Outstanding Amounts owed to the Council by Employees:

**Sundry Debtors: Loans**

| Loan Type | GL Number | Closing - 30/06/2009 | |
|---|---|---|---|
| | | Number of Loans | Balance |
| Motor Loans | 50080 | 16 | R173 915.05 |
| Computer Loans | 50100 | 0 | R0 |
| Study Loans | 50110 | 0 | R0 |
| University Loans | 50120 | 1 | R5 293.22 |
| Damaged/Lost Goods Loans | 149300 | 17 | R182 025.53 |
| Council Recovery Loans [over payments etc.] | 149300 | 236 | R1 427 371.77 |
| **Total** | | **270** | **R1 788 605.57** |

# 4 – FINANCIAL PERFORMANCE

## 4.1 REPORT OF THE AUDITOR GENERAL ON THE GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2009

### REPORT ON THE FINANCIAL STATEMENTS

#### INTRODUCTION

1. I have audited the accompanying group financial statements of the City of Tshwane Metropolitan Municipality (City of Tshwane) which comprise the consolidated and separate statement of financial position as at 30 June 2009, and the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net assets and the consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [76] to [248].

#### THE ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### THE AUDITOR-GENERAL'S RESPONSIBILITY

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. Paragraph 11 *et seq*. of the Statement of Generally Recognised Accounting Practice, GRAP 1, *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the City of Tshwane in this respect will be limited to reporting on non-compliance with this disclosure requirement.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### BASIS FOR QUALIFIED OPINION

#### Property rates and consumer debtors

8. I could not satisfy myself as to the occurrence, completeness and cut off of the amounts (current and corresponding figures) disclosed as property rates of R2,299 billion (2008: R2,185 billion) in the statements of financial performance and as to the correct valuation and allocation of consumer debtors of R2,667 billion (2008: R2,393 billion) in the statement of financial position, as sufficient and appropriate information could not be provided for audit purposes in respect of the correcting journals processed during the year as well as after year-end, for the correct allocation of revenue to the current and prior financial years.

#### Qualified opinion

9. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the consolidated and separate financial position of the City of Tshwane Metropolitan Municipality as at 30 June 2009 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with GRAP and in the manner required by the MFMA.

### EMPHASIS OF MATTERS

I draw attention to the following matters on which I do not express a qualified opinion:

### Going concern/Financial sustainability

10. While the Municipality has prepared financial statements on a going concern basis, there are a number of indicators that its financial sustainability is under threat, as indicated in paragraph 4.2.8[6] of the chief financial officer's report. These indicators related to the world economic recession as well as the slow repayment of debtors and a substantial increase in the consumer debtors and creditors amounts from the prior year. Subsequent to year-end the Municipality has substantially increased its overdraft facility. Furthermore, the City of Tshwane required more funds to ensure that the capital replacement reserve and housing development fund had sufficient cash backing as per its accounting policies.

11. One of the City of Tshwane's municipal entities, Housing Company Tshwane's rental income has decreased during the year under review, its debtors payments have deteriorated and key senior management personnel have resigned subsequent to year-end. Furthermore, the Accounting Officer's report of the entity indicated uncertainty with respect to the future cash flows of the entity. These conditions cast significant doubt on the entity's ability to continue as a going concern and the entity has not yet finalised a plan to ensure its future sustainability.

    The cash flow and other problems of the Housing Company Tshwane, including the unavailability of information and documentation required for audit purposes, led to a disclaimer of the audit opinion on its financial statements.

12. Civirelo Water, a municipal entity of the City of Tshwane, incurred a net loss of R17, 6 million during the year ended 30 June 2009 and as at that date the entity's total liabilities exceeded its total assets by R29,2 million. These conditions, along with other matters set out in the director's report indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

### Unauthorised expenditure and deviations from supply chain management procedures

13. As disclosed in note 45.1 to the annual financial statements an amount of R75 million of unauthorised expenditure was still awaiting authorisation from the council, as required by section 32(2) of the MFMA.

14. The Municipality incurred unauthorised expenditure of R477 million in respect of the late approval of the deviation report (not approved before 31 August) as disclosed in note 45.4 to the annual financial statements.

15. Deviations from the official procurement process during the financial year were approved in terms of the delegations as stipulated in the supply chain management policy and amounted to approximately R351 million as disclosed in note 47 to the annual financial statements.

### OTHER MATTERS

16. I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

[6] 8.4 in the original Annual Financial Statements as presented to the AG.

### Unaudited supplementary schedules

17. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion on them.

## NON-COMPLIANCE WITH APPLICABLE LEGISLATION

### Municipal Finance Management Act

18. As previously reported, the then council of the City of Tshwane in 2001 resolved to provide an official residence to the mayor of the City of Tshwane. This provision of an official residence to a mayor does not fall within the framework of the Remuneration of Public Office-Bearers Act, 1998 (Act No. 20 of 1998), which, in turn, results in the transgression of section 167 of the MFMA, which came into effect in 2004 and states that the Municipality may remunerate its members of the political structure only within the framework of the Remuneration of Public Office-Bearers Act, 1998. If it falls outside this, it must be classified as irregular expenditure and the Municipality must take appropriate steps as required.
19. The City of Tshwane failed to submit electronic and signed returns on their conditional grants spending for the period ended 30 June 2009 in terms of section 74(1) of the MFMA. Furthermore, the City of Tshwane also did not sign the section 71 report for the period ended 30 June 2009, as evidence of verification.
20. Invoices were not paid within 30 days of receiving the relevant invoice as required by section 65(e) of the MFMA.
21. Section 64(2) (h) of the MFMA requires that appropriate reconciliations be done at least on a weekly basis for revenue received by the Municipality, including revenue received by any collecting agents on its behalf. However, collections by agents/municipality were not appropriately reconciled at least on a weekly basis for transport income, prepaid electricity and licenses.
22. No financial statements were received for auditing in terms of section 126(2) of the MFMA for Tshwane Economic Development Agency and Tshwane Centre for Business Information and Support, being municipal entities of the City of Tshwane. As such we could not confirm whether these entities had any assets and liabilities that had to be included in the consolidated annual financial statements of the City of Tshwane.

### Municipal Systems Act

23. Various reconciling differences were identified in the property values on the valuation systems (ProV) and the billing system (SAP), resulting in individual accounts not being billed timeously and accurately. This resulted in non-compliance with section 95(e) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), which states that the Municipality must ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due.
24. Section 95(e) – (h) of the MSA – Customer Care and Management, requires that the "municipality provide a mechanism to monitor the response time and efficiently in complying

with and dealing with complaints," as notifications were not always timeously cleared, work was not always performed on notifications created and work orders were closed before actual work was performed.

### Governance framework

25. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below.

### Internal control deficiencies

26. Section 62(1) (c) (i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. The number listed per component can be followed with the legend below the table. In some instances deficiencies exist in more than one internal control component.

| Par. no. | Basis for qualified opinion | CE | RA | CA | IC | M |
|---|---|---|---|---|---|---|
| 8 | Property rates and consumer debtors | 6 | | | | 1 |

**Conclusion on the governance framework**

27. The above was mainly due to the following:

- Insufficient monitoring controls and oversight by senior management over the preparation and completion of financial statements, with specific reference to the reviewing and evaluation of supporting documentation and figures.
- Insufficient guidance/procedures provided to staff regarding the preparation of financial statements.

| Legend | |
|---|---|
| **CE = Control environment** | |
| The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting. | 1 |
| Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting. | 2 |
| Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel. | 3 |
| Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting. | 4 |
| The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control. | 5 |
| Management's philosophy and operating style do not promote effective control over financial reporting. | 6 |
| The entity does not have individuals competent in financial reporting and related matters. | 7 |
| **RA = Risk assessment** | |
| Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting. | 1 |
| The entity does not identify risks to the achievement of financial reporting objectives. | 2 |
| The entity does not analyse the likelihood and impact of the risks identified. | 3 |
| The entity does not determine a risk strategy/action plan to manage identified risks. | 4 |
| The potential for material misstatement due to fraud is not considered. | 5 |
| **CA = Control activities** | |

| | |
|---|---|
| There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation. | 1 |
| General information technology controls have not been designed to maintain the integrity of the information system and the security of the data. | 2 |
| Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed. | 3 |
| Actions are not taken to address risks to the achievement of financial reporting objectives. | 4 |
| Control activities are not selected and developed to mitigate risks over financial reporting. | 5 |
| Policies and procedures related to financial reporting are not established and communicated. | 6 |
| Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system. | 7 |
| **IC = Information and communication** | |
| Pertinent information is not identified and captured in a form and time frame to support financial reporting. | 1 |
| Information required to implement internal control is not available to personnel to enable internal control responsibilities. | 2 |
| Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel. | 3 |
| **M = Monitoring** | |
| Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting. | 1 |
| Neither reviews by internal audit or the audit committee nor self -assessments are evident. | 2 |
| Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken. | 3 |

## KEY GOVERNANCE RESPONSIBILITIES

28. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

| No. | Matter | Y | N |
|---|---|---|---|
| **Clear trail of supporting documentation that is easily available and provided in a timely manner** | | | |
| 1. | No significant difficulties were experienced during the audit concerning delays or the availability of requested information. | | ✓ |
| **Quality of financial statements and related management information** | | | |
| 2. | The financial statements were not subject to any material amendments resulting from the audit. | | ✓ |
| 3. | The annual report was submitted for consideration prior to the tabling of the auditor's report. | ✓ | |
| **Timeliness of financial statements and management information** | | | |
| 4. | The annual financial statements were submitted for auditing as per the legislated deadlines in section 126 of the MFMA. | ✓ | |
| **Availability of key officials during audit** | | | |
| 5. | Key officials were available throughout the audit process. | ✓ | |
| **Development and compliance with risk management, effective internal control and governance practices** | | | |
| 6. | Audit committee | | |
| | • The municipality had an audit committee in operation throughout the financial year. | ✓ | |
| | • The audit committee operates in accordance with approved, written terms of reference. | ✓ | |
| | • The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. | ✓ | |
| 7. | Internal audit | | |
| | • The municipality had an internal audit function in operation throughout the financial year. | ✓ | |
| | • The internal audit function operates in terms of an approved internal audit plan. | ✓ | |
| | • The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. | | ✓ |
| 8. | There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management. | | ✓ |
| 9. | There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations. | | ✓ |
| 10. | The information systems were appropriate to facilitate the preparation of the financial statements. | | ✓ |
| 11. | A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c) (i) of the MFMA. | | ✓ |
| 12. | Delegations of responsibility are in place, as set out in 106 of the MFMA. | ✓ | |
| **Follow-up of audit findings** | | | |
| 13. | The prior year audit findings have been substantially addressed. | ✓ | |
| 14. | SCOPA/Oversight resolutions have been substantially implemented. | **N/A** | |
| **Issues relating to the reporting of performance information** | | | |

| No. | Matter | Y | N |
|---|---|---|---|
| 15. | The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete. | | ✓ |
| 16. | Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information. | | ✓ |
| 17. | A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 68 of the MFMA). | ✓ | |
| 18. | There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance. | ✓ | |

### Overall reflection on governance framework

29. The Municipality has all the required governance structures in place. For deficiencies in this regard, refer to paragraph 27 above.

### Investigations

30. Thirty-two cases were received by the forensic audit section of the City of Tshwane's internal audit unit for the current financial year, 11 of which were finalised. The nature of cases covered a wide spectrum of activities, including bribery, theft, financial corruption, RDP houses misallocation and tender irregularities.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### REPORT ON PERFORMANCE INFORMATION

31. I have reviewed the performance information as set out on pages xx to xx.

### THE ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE PERFORMANCE INFORMATION

32. In terms of section 121(3) (c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the MSA.

### THE AUDITOR-GENERAL'S RESPONSIBILITY

33. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
34. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
35. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the review findings reported below.

## AUDIT FINDINGS (PERFORMANCE INFORMATION)

### Non-compliance with regulatory requirements

No mid-year budget and performance assessment

36. No evidence was submitted to verify that the accounting officer of the City of Tshwane submitted the monthly budget statements to the mayor of the City of Tshwane within 10 working days after the end of each month in terms of section 71(1) of the MFMA.
37. No evidence was submitted to verify that the accounting officer of both Civirelo Water and Sandspruit Works Association (municipal entities of the City of Tshwane) submitted to the accounting officer of the City of Tshwane the information in respect of the entity's budget in terms of section 87(11) of the MFMA within seven days after the end of each month.
38. No evidence was provided to verify that the accounting officer of Housing Company Tshwane complied with the provisions of both sections 87(11) and 88 of the MFMA in respect of monthly budget statements, mid-year budget and performance assessment.
39. No evidence could be provided to verify that the Housing Company Tshwane complied with the provisions of section 121(4) (d) of the MFMA in respect of performance information.

Usefulness and reliability of reported performance information

40. The following criteria were used to assess the usefulness and reliability of the information on the Municipality's performance with respect to the objectives in its integrated development plan:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan?
- Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
- Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

### Reported performance information not relevant

41. The indicator with regard to public transport was not specific in clearly identifying the nature and the required level of performance, as the method used to measure the performance of public transport did not necessarily give an indication of how the municipality has increased the accessibility to public buses. As bus tickets sold was used to determine the number of passengers using buses, this could result in the same passengers being included more than once in the calculation. This resulted in an incorrect indication of the improvement of bus usage as required by the key performance indicator (KPI).

### Reported performance information not reliable

**Lack of source documentation**

42. Sufficient appropriate audit evidence in relation to the reported performance information for the KPI on housing could not be provided for audit purposes.

**Source information not accurate and complete**

43. The source information or evidence provided to support the reported performance information with regard to various KPI's did not adequately support the accuracy and completeness of facts. Examples included the following:

- Reported information on crime levels was only for eight months and did not cover the entire period, thus information was incomplete.
- Sufficient appropriate audit evidence with regard to the reported information in respect of the KPIs on roads and stormwater could not be obtained as the system used was not appropriate to facilitate the preparation of accurate and complete actual performance information.
- Evidence received in respect of solid waste removal, public transport, water, sanitation and households registered as indigents differed from amounts/ percentages reported.
- Evidence submitted in respect of the disaster risk management plan differed from the actual achievement percentage as reported.

## APPRECIATION

44. The assistance rendered by the staff of the City of Tshwane during the audit is sincerely appreciated.

Pretoria

21 December 2009

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

# 4.2 REPORT OF THE CHIEF FINANCIAL OFFICER

## INTRODUCTION

The 2008/09 financial year posed many challenges and obstacles which had to be accommodated by limited financial and other resources.

The budget and the City of Tshwane's five-year strategic plan are aligned with the vision and imperatives of national government, which are to address service delivery backlogs.

The following strategic areas were focused on in the 2008/09 budget:

- The eradication of backlogs and investment in infrastructure for basic services and for growth
- Economic growth and development that are shared and create sustainable jobs
- Building safer, more secure and more sustainable communities
- The deepening of democracy
- Financial viability and management of resources
- A caring and effective government
- Institutional capacity and transformation

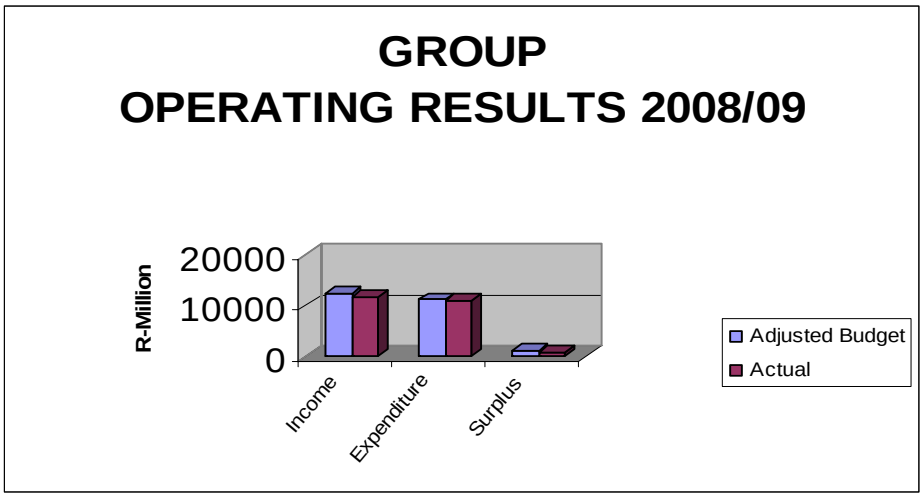
It has been a huge challenge during the 2008/09 financial year to budget for improved service delivery and subsequently realise operational efficiency while also ensuring that the deliverables are attained in a sustainable manner. The challenge to address unlimited needs within the constraints of limited resources has necessitated a change in the way we do business to ensure that we stretch our resources to the maximum.

## REVIEW OF OPERATING RESULTS

The 2008/09 budget of the City of Tshwane was approved by the Council on 29 May 2008, and the adjustments budget was approved by the Council on 29 January 2009. Figures with regard to the 2008/09 original budget as well as the adjusted budget are included in this report. The budgets of the municipal entities are not included, as not all the budgets were available.

## GENERAL

Details of the 2008/09 operating results per department and a classification of revenue and expenditure are included in the Statement of Financial Performance and Annexure D. The operating results are shown graphically below:




The overall operating results for the year ended 30 June 2009 are as follows:

| Description | Original budget 2009 Parent R'000 | Adjusted budget 2009 Parent R'000 | Actual 2009 Parent R'000 | Actual 2009 Group R'000 | Variance actual/ adjusted budget Percentage | Actual 2008 Parent R'000 | Actual 2008 Group R'000 |
|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | |
| Accumulated surplus: Beginning of year | | | 859 522 | 888 593 | | 864 955 | 930 812 |
| Operating revenue for the year | 12 708 977 | 12 244 224 | 11 638 995 | 11 751 331 | 4.03 | 10 187 705 | 10 468 954 |
| | 12 708 977 | 12 244 224 | 12 498 517 | 12 639 924 | | 11 052 660 | 11 399 766 |
| **EXPENDITURE** | | | | | | | |
| Operating expenditure for the year | 11 010 559 | 11 263 553 | 11 263 553 | 11 050 592 | 1.89 | 9 848 728 | 10 173 592 |
| Sundry transfers* | 1 698 418 | 1 180 671 | 217 539 | 566 815 | | 344 410 | 337 581 |
| Accumulated surplus: End of year | | | 1 017 425 | 1 022 517 | | 859 522 | 888 593 |
| | 12 708 977 | 12 444 224 | 12 498 517 | 12 639 924 | | 11 052 660 | 10 399 766 |

*Sundry transfers consist of transfers to and from the reserves, for example offset depreciation for projects financed from grants and the Capital Replacement Reserve.

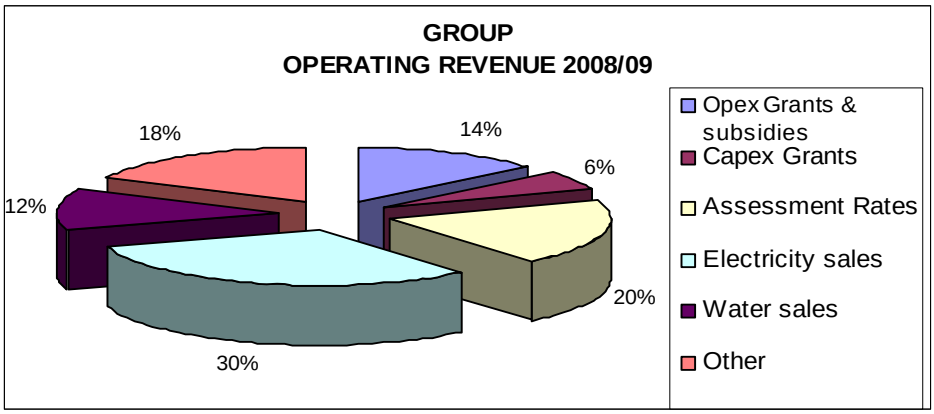
The actual net expenditure of the Municipality reflects an increase of 14,4% (Group increased by 8,6%) while the actual revenue of the Municipality has increased by 14,2% (Group increased by 12,2%) since 2007/08. The largest increase in revenue since 2007/08 occurred on assessment rates, service charges, interest on debtors, and government grants and subsidies. The largest increase in expenditure since the previous financial year occurred on the following items:

| Expenditure item | Municipality (increase) | Group (increase) |
|---|---|---|
| Remuneration | 14,8% | 14,9% |
| Remuneration of Councillors | 25,2% | 25,2% |
| Bad debt written off | 64% | 93,8% |
| Interest paid | 40,3% | 17,8% |
| Bulk purchases | 23,2% | 28,1% |
| Repair and maintenance | 25,8% | 25,5% |
| Contribution to bad debt provision | 17,2% | 3,8% |

Interest paid by the Municipality increased by 40,3% since 2007/08 owing to the increase in external loans taken up.

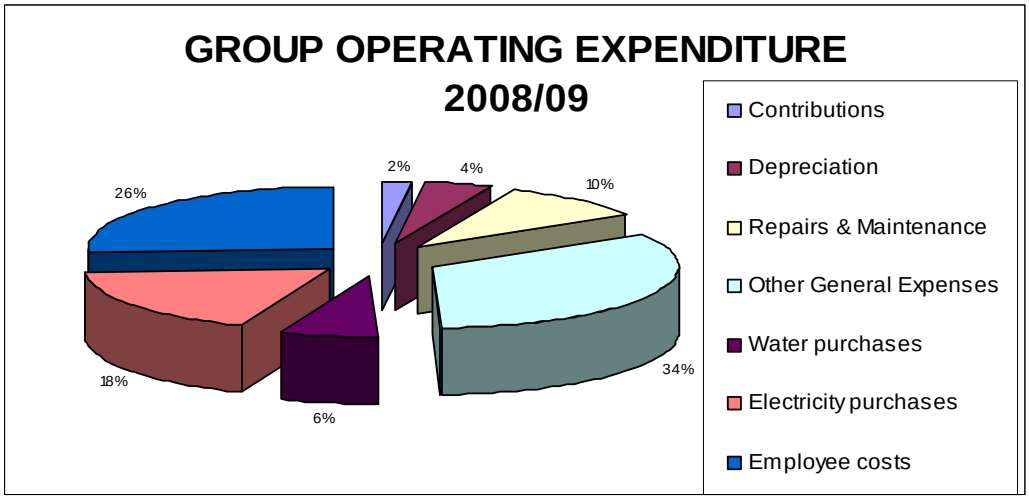
## OPERATING REVENUE

The following graph indicates a breakdown of the largest categories of revenue:




### OPERATING EXPENDITURE

The graph below indicates the breakdown per main expenditure group.



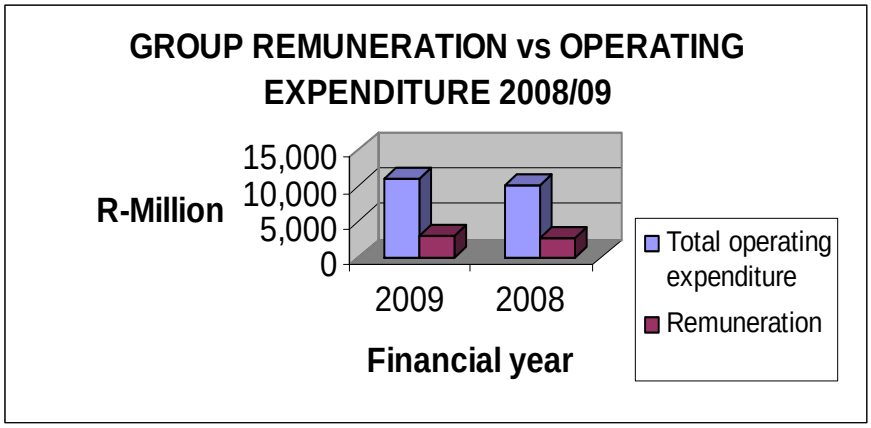

## REMUNERATION

The actual expenditure on remuneration expressed as a percentage of the total expenditure shows a slight increase from 26,6% in 2007/08 to 27,6% in 2008/09. For the Group it increased from 26,2% to 27,7% since 2007/08.

The total remuneration cost and the allocation of individual items in a remuneration package differ from municipality to municipality, for example certain municipalities are more contracts intensive while others are more labour intensive. In terms of the Restructuring Grant, the target for remuneration as a percentage of revenue is 33%.

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent | Group | Parent | Group |
| Total operating expenditure | 10 918 585 | 11 050 592 | 9 848 728 | 10 173 593 |
| Total operating revenue | 11 638 995 | 11 751 331 | 10 187 705 | 10 468 954 |
| Employee remuneration | 3 009 111 | 3 061 854 | 2 621 003 | 2 665 394 |
| Ratio: Percentage of total expenditure | 27,6% | 27,7% | 26,6% | 26,2% |

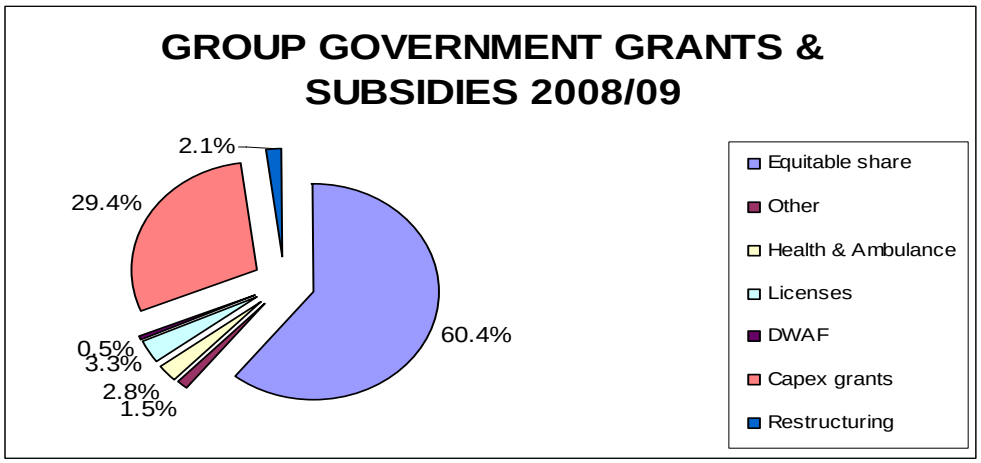
| | | | | |
|---|---|---|---|---|
| Ratio: Percentage of total revenue | 25,8% | 26,1% | 25,7% | 25,5% |
| Percentage growth in remuneration expense | 14,8% | 14,9% | 8,7% | 8,9% |




## GOVERNMENT GRANTS AND SUBSIDIES

The following table and graph show the amounts received through grants, contributions and subsidies from the Central Government and the Gauteng Provincial Government, which amounts have been included in the total revenue:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Equitable share | 1 335 550 | 1 335 550 | 1 101 416 | 1 101 416 |
| Provincial health subsidy | 22 554 | 22 554 | 22 669 | 22 669 |
| Provincial ambulance subsidy | 38 377 | 38 377 | 36 005 | 36 005 |
| Provincial motor vehicle licences refund | 71 776 | 71 776 | 66 191 | 66 191 |
| Capex: grants and donations | 650 643 | 650 643 | 474 450 | 474 450 |
| Opex: grants and donations | 97 075 | 97 075 | 154 163 | 154 163 |
| Finance Management Grant | 539 | 539 | 699 | 699 |
| Restructuring Grant | 45 680 | 45 680 | 52 228 | 52 228 |
| Department of Water Affairs and Forestry | 13 169 | 12 224 | 13 962 | 16 235 |
| MSIG | 0 | 0 | 2 502 | 2 502 |
| | **2 275 363** | **2 272 418** | **1 924 285** | **1 926 558** |




### PROVISION FOR EMPLOYMENT BENEFITS

In accordance with accounting standard IAS 19: Employment benefits, a provision had to be created for the liabilities in respect of post-employment benefits. Actuarial valuations and calculations indicated that a liability provision to the total amount of R1,004 billion had to be created for 2008/09. The liability provision for 2007/08 amounted to R838,893 million, and the figures for 2007/08 were therefore restated. The balance of the accumulated surplus was adequate to provide for the total liability. The creation of this provision was debited against general expenses (statement of financial performance) and post-employment benefit liability on the statement of financial position. This provision has to be adjusted annually at year end and must be taken up in the annual budget.

## DEBTORS

Details regarding debtors are provided in Note 14 (Long-term receivables), Note 16 (Consumer debtors) and Note 17 (Other debtors) of the Notes to the Consolidated Annual Financial Statements.

### LONG-TERM RECEIVABLES

The long-term receivables showed an increase of R52,8 million (15,9%). This increase can mainly be ascribed to an increase in the arrangement consumer debtors (increase of R42,8 million) and an increase in the sale of land (R13,6 million).

### CONSUMER DEBTORS

The consumer debtors for the group increased in total by R505,575 million (14,4%). The increase in debt per customer classification is made up as follows:

| Customer classification | Parent | | Group | |
|---|---|---|---|---|
| | Total R'000 | Increase/ (decrease) R'000 | Total R'000 | Increase/ (decrease) R'000 |
| Households | 2 686 383 | 338 320 | 2 920 854 | 370 242 |
| Industrial/commercial | 762 949 | 96 008 | 762 949 | 96 008 |
| National and Provincial government | 56 217 | 7 074 | 56 217 | 7 074 |
| Other | 509 971 | 64 173 | 509 971 | 64 173 |
| **Total** | **4 015 520** | **505 575** | **4 249 991** | **537 497** |

The increase in consumer debt per ageing analysis is as follows:

| Age analysis group | Parent | | Group | |
|---|---|---|---|---|
| | Total R'000 | Increase/ (Decrease) R'000 | Total R'000 | Increase/ (Decrease) R'000 |
| Current (0 to 30 days) | 1 062 178 | 24 086 | 1 296 649 | 56 007 |
| 31 to 60 days | 189 344 | (7 673) | 189 344 | (7 673) |
| 61 to 90 days | 110 957 | 8 965 | 110 957 | 8 965 |
| 91 days and older | 2 653 041 | 480 198 | 2 653 041 | 480 198 |
| **Total** | **4 015 520** | **505 575** | **4 249 991** | **537 497** |

### OTHER DEBTORS

The Other debtors for the Group in total increased by R202,3 million (parent equals an increase of R198,2 million). This can mainly be attributed to an increase in housing debtors of R13,7 million (43,9%) for the group and an increase of R5,3 million for the parent.

Other current debtors for the group increased by R395,8 million. For the parent, other current debtors increased by R400,1 million owing to an increase in sundry rentals and sundry year-end debtors, which include outstanding ambulance subsidies, outstanding health subsidies, waste management bulk containers and outstanding grants, for example Housing Grants of R125 million and Municipal Infrastructure Grant (MIG) of R53 million, as well as public contributions of R143,6 million. The RSC levies debtor decreased by R200,5 million owing to a write back of the debtor against the provision for bad debt, as the three-year period has lapsed.

## CONSUMER DEBTORS

The following table indicates the effectiveness of credit control measures, as well as the ability to convert debtors into cash:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent | Group | Parent | Group |
| Debits levied: Consumer debtors | 7 947 309 | 8 048 950 | 7 024 024 | 7 110 025 |
| Balance on 1 July | 3 509 944 | 3 712 493 | 3 146 540 | 3 293 028 |
| Balance on 30 June | 4 015 520 | 4 249 991 | 3 509 944 | 3 712 493 |
| Average balance | 3 762 732 | 3 981 242 | 3 328 242 | 3 502 761 |
| Turnover: Number of times (levies/average balance) | 2,11 | 2,02 | 2,11 | 2,03 |
| Turnover: Number of days (days in the financial year/number of times) | 173 | 181 | 173 | 180 |
| Days in the financial year | 365 | 365 | 366 | 366 |

From the table it is clear that, although the number of days to recover debt remained unchanged at 173 days since 2007/08 for the parent (while for the group it increased from 180 to 181 days), the outstanding consumer debt is still negative. This high turnover has serious implications specifically for the cash flow of the Municipality.

On 1 July 2008 the Municipality implemented the Municipal Property Rates Act of 2004, and this increased the revenue base by 122 000 sectional title units. This increase in the revenue base had an impact on the increase in the debtor's book even though the number of days to recover debt did not change since the previous financial year. The Municipality has introduced various strategic interventions to collect outstanding consumer debt, for example:

- The blocking of prepaid vending for electricity when other services are in arrears
- The implementation of section 28 of the Municipal Property Rates Act, where the Municipality forces a tenant to pay rent directly to the Municipality when the owner is in arrears with property rates
- A process of disconnecting services if property rates tax is in arrears

On 1 January 2009 the Municipality appointed a panel of four new collection agencies that will further assist with the collection of arrears in line with Chapter VIII of the Magistrate Court Act of 1944. The collection agencies have signed a robust performance agreement that will enhance the collection of revenue. The Municipality is currently piloting an outbound debt call for the Top 1 000 business accounts.

A collection rate calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The credit control policy and the actions taken in terms of the policy started producing better results, since an average collection rate of 98,3% (99% in 2007/08 and 98,3% in 2006/07) was maintained by the Municipality during the 2008/09 financial year.

## CAPITAL EXPENDITURE AND FINANCING (ONLY WITH REGARD TO PARENT)

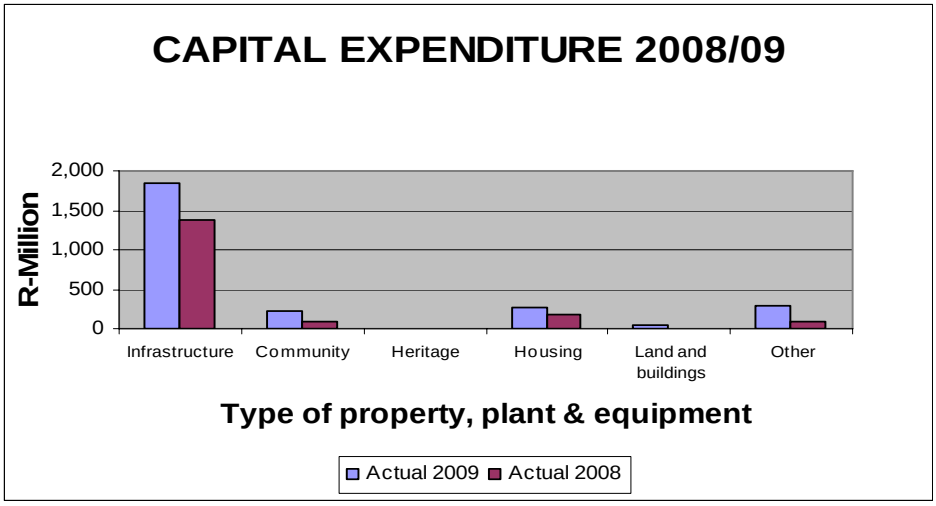
The Municipality's original approved capital expenditure budget for 2008/09 amounted to R3 161 765 000 and was accepted by National Treasury. This capital budget was amended by an adjustments budget approved by the Council on 29 January 2009 to R3 050 998 246 in total, as a result of Strategic Units having been requested to review the performance of the capital programme. Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R2 685 672 601. The actual capital expenditure is 52,8% more than the previous financial year, but only relates to an 88% performance against the adjusted budget for 2008/09. The actual expenditure is 11,97% less than the adjusted budget, which can mainly be attributed to not achieving the Service Delivery and Budget Implementation Plan targets owing to various reasons such as the following:

- Delays in EIA studies
- Delays in the implementation of the BRT programme – Public Transport, Infrastructure and Systems (PTIS) Grant-funded projects
- Delays in the procurement process
- Delays in the approval of business plans for MIG funding
- Non-receipt of grant funding or withholding of grant funding – Government Housing and PTIS-funded projects
- Workmanship quality and material acquisition problems owing to emerging contractors
- Delays in the delivery of specialised vehicles

The table below represents the capital expenditure per asset:

| Actual capital expenditure according to asset class | | |
|---|---|---|
| **Asset** | **Parent Actual 2009 R** | **Parent Actual 2008 R** |
| Infrastructure | 1 844 867 557 | 1 384 562 498 |
| Community | 229 883 607 | 94 565 396 |
| Heritage | 0 | 0 |
| Housing | 263 141 486 | 186 983 791 |
| Land and buildings | 47 526 719 | 3 751 441 |
| Other | 300 253 232 | 88 039 174 |
| **Total** | **2 685 672 601** | **1 757 902 300** |

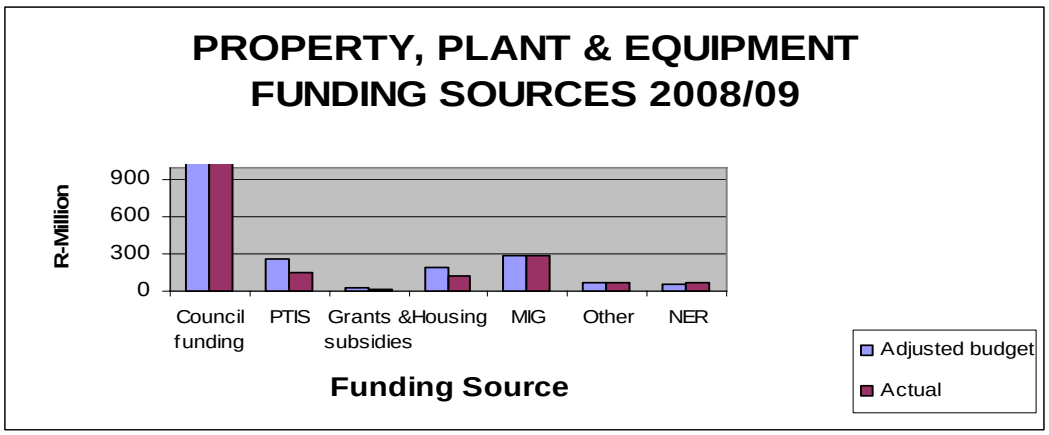
The graph below shows the distribution of property, plant and equipment according to the type.




The above property, plant and equipment of the parent were financed from the following sources:

| Finance | Parent Original budget 2009 R'000 | Parent Adjusted budget 2009 R'000 | Parent Actual 2009 R'000 | Parent Actual as percentage of adjusted budget 2009 % | Parent Actual 2008 R'000 |
|---|---|---|---|---|---|
| Council funding | 2 138 968 | 2 156 868 | 1 978 157 | 91,7 | 1 289 921 |
| Public Transport Infrastructure and Systems (PTIS) Grant | 501 654 | 262 105 | 154 943 | 59,1 | 0 |
| Provincial grants and subsidies | 26 070 | 23 021 | 14 028 | 60,9 | 127 299 |
| Government Housing Grant | 84 322 | 184 864 | 129 596 | 70,1 | 62 191 |
| Municipal Infrastructure Grant (MIG) | 288 935 | 288 935 | 286 877 | 99,3 | 208 975 |
| National Electricity Regulator (NER) | 60 500 | 60 500 | 60 416 | 99,9 | 52 228 |
| Other funding | 61 316 | 74 705 | 61 656 | 82,5 | 17 288 |
| **Total** | **3 161 765** | **3 050 998** | **2 685 673** | **88,0** | **1 757 902** |

The following is a graphic presentation according to financing sources:




## GOVERNMENT HOUSING PROGRAMME

The original approved capital budget for Government Housing of R84 321 988 was amended with the approved 2008/09 adjustments budget to R184 864 035, of which R129 596 252 was spent to 30 June 2009, resulting in an underspending on Government Housing projects of R55 267 783 in total.

The amount budgeted for the Winterveld Land Management Project was withheld by the Gauteng Province, as they indicated that they had appointed their own contractors. The budget could not be amended owing to the late notification by the Gauteng Province.

An amount of R92 872 744 was claimed from the Gauteng Provincial Department of Housing (GPDoH) for services and R115 875 956,05 for top structures, and R5 537 200 was claimed from the North West Provincial Government of Housing (NWPDoH) for top structures. To date no transfers were received from the GPDoH or the NWPDoH for the claims submitted.

## PUBLIC TRANSPORT, INFRASTRUCTURE AND SYSTEMS (PTIS) GRANT-FUNDED PROJECTS

The original approved capital budget for the PTIS-funded projects, which are SWC 2010 and BRT-related projects, for R501 654 000 was amended with the approved 2008/09 adjustments budget to R262 104 892, of which R159 307 204 was spent to 30 June 2009, resulting in an underspending of R102 797 688 in total.

The approved 2008/09 operating budget for PTIS-funded projects of R73 728 330 was funded from the 2007/08 unspent allocations brought forward. An amount of R8 771 576 was spent and recognised on operating PTIS-funded projects.

A total amount of R260 million was received from the original DoRA allocation of R510 169 000, which was reduced to only R260 million during the year, owing to a Transferring Authority from the National Treasury informing the Municipality that R380,1 million of the 2008/09 allocation was being withheld owing to underspending. Subsequent correspondence between the Municipality and National Treasury regarding the reasons for the delay in implementing the BRT projects, as well as the revised proposed implementation timeframes and cash-flow projections, took place during May and June 2009. A meeting between the parties is being arranged to resolve outstanding issues.

### CONCLUSION

When comparing the actual expenditure to the budgeted expenditure, the financing source of capital projects plays an important role. The funding from own sources, which are primarily the Capital Replacement Reserve and the External Financing Fund (external loans taken up), can largely influence the following aspects:

- Depreciation
- The raising of loans
- The cash flow of the Municipality

## ACCOUNTING RATIOS

### CURRENT ASSET RATIO

This ratio mainly involves the financial resources used in the operating cycle of a local authority. Operating capital represents the surplus of current assets over current liabilities. This is a useful indicator when determining the ability to fund operating expenditure.

This ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk, since short-term debt can be paid out of short-term assets. The following table shows the calculation of the operating capital ratio:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| **CURRENT ASSETS** | | | | |
| Cash | 89 561 | 95 850 | 43 236 | 214 534 |
| Inventory | 241 320 | 259 899 | 216 602 | 232 919 |
| Debtors | 3 372 435 | 3 421 566 | 2 686 415 | 2 720 577 |
| Non-current assets held for sale | 394 | 394 | 0 | 0 |
| Investments (short term) | 177 605 | 187 814 | 235 136 | 272 462 |
| Short-term portion of long-term debtors | 123 833 | 123 833 | 103 377 | 103 377 |
| Total | 4 005 148 | 4 089 356 | 3 284 766 | 3 543 869 |

| | | | | |
|---|---|---|---|---|
| **CURRENT LIABILITIES** | | | | |
| Creditors | 3 241 438 | 3 342 566 | 2 188 847 | 2 293 859 |
| Short-term portion of long-term liabilities | 133 693 | 134 009 | 172 573 | 189 530 |
| Short-term portion of finance lease liabilities | 175 709 | 175 709 | 150 248 | 150 248 |
| Current provisions | 0 | 917 | 0 | 782 |
| Deposits | 282 760 | 285 243 | 267 979 | 269 510 |
| Overdrawn bank account | 95 417 | 95 417 | 106 407 | 106 679 |
| Total | 3 929 017 | 4 033 861 | 2 886 054 | 3 010 608 |
| Net operating capital | 76 131 | 55 495 | 398 712 | 533 261 |
| Current asset ratio | 1,02: 1 | 1,01:1 | 1,14: 1 | 1,18:1 |
| Current asset ratio excluding consumer debt of 90 days and older | 0,34: 1 | 0,36:1 | 0,38: 1 | 0,45:1 |
| Consumer debtors older than 90 days | 2 653 041 | 2 653 041 | 2 172 843 | 2 172 843 |

The ratio decreased slightly since 2007/08 from 1,14:1 to 1,02:1. This is because the current liabilities increased by 36,1% (an increase of 34% for the Group), while the current assets increased by only 21,9% (an increase of 15,4% for the Group).

The increase in current assets can mainly be ascribed to the increase in debtors, cash and inventory; this was counteracted by a decrease in short-term investments.

The increase in current liabilities is mainly owing to the increase in deposits and a huge increase in trade creditors.

The private sector sets a ratio of 2:1 as being acceptable, but a norm for local government is currently not available. If the consumer debtors of 90 days and older are excluded from the calculation, the ratio decreases considerably (see the table above), which is a concern.

### QUICK ASSET RATIO (ACID TEST)

This ratio is a more accurate test of a local authority's ability to settle its short-term debt. When calculating this ratio, only assets that can be converted into cash are taken into account. Since material and stock are for a local authority's own use and are not for sale, they are not included in the calculations. The private sector sets a ratio of 1:1 as being acceptable. The figures that follow reflect the Municipality's quick asset ratio for the following years:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Current assets | 4 005 148 | 4 089 356 | 3 284 766 | 3 543 869 |
| Less: Inventory | 241 320 | 259 899 | 216 602 | 232 919 |
| Total | 3 763 828 | 3 829 457 | 3 068 164 | 3 310 950 |

| | | | | |
|---|---|---|---|---|
| Current liabilities | 3 929 017 | 4 033 861 | 2 886 054 | 3 010 608 |
| Quick asset ratio | 0,96: 1 | 0,95:1 | 1,06: 1 | 1,09:1 |
| Quick asset ratio excluding consumer debt older than 90 days | 0,28: 1 | 0,29:1 | 0,31: 1 | 0,38:1 |

If the consumer debtors of 90 days and older are excluded from the calculation, the ratio decreases considerably (see the table above).

### SOLVABILITY

In this ratio, the total assets are compared to the total liabilities, and it shows the ability of the Municipality to meet its obligations in the long term. A ratio of less than one is an indication of insolvency. The following table shows the calculation of the solvency ratio:

| DESCRIPTION | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| **TOTAL ASSETS** | | | | |
| Current assets | 4 005 148 | 4 089 356 | 3 284 766 | 3 543 869 |
| Long-term investments | 500 346 | 502 858 | 425 553 | 432 411 |
| Long-term receivables | 187 100 | 187 100 | 189 763 | 189 763 |
| Leased assets | 252 872 | 252 872 | 247 781 | 261 544 |
| Biological assets | 17 008 | 17 008 | 14 741 | 14 741 |
| Property, plant and equipment | 12 823 004 | 12 850 580 | 10 099 164 | 10 505 279 |
| Total | 17 785 478 | 17 899 774 | 14 261 768 | 14 947 607 |
| **TOTAL LIABILITIES** | | | | |
| Current liabilities | 3 929 017 | 4 033 861 | 2 886 054 | 3 010 608 |
| Long-term loans | 4 203 275 | 4 207 634 | 2 705 772 | 3 211 660 |
| Non-current provisions | 204 985 | 204 985 | 87 211 | 87 211 |
| Lease liabilities | 86 806 | 86 806 | 107 048 | 133 374 |
| Employment benefit provision | 1 004 196 | 1 004 196 | 838 893 | 838 893 |
| Reserves | 7 339 775 | 7 339 775 | 6 777 267 | 6 777 267 |
| Total | 16 768 054 | 16 877 257 | 13 402 245 | 14 059 013 |
| Solvability ratio | 1,06: 1 | 1,06:1 | 1,06: 1 | 1,06:1 |

The total assets of the Parent Municipality increased by 24,7% (Group increased by 19,8%), while the total liabilities increased by 25,1% (Group liabilities increased by 20%).

Property, plant and equipment of the parent increased by 27%, while external loans increased by 55,3% and accumulated funds increased by 8,3%.

### TOTAL LONG-TERM DEBT TO TOTAL REVENUE RATIO

According to credit rating companies, the benchmark for local government is a ratio of less than 50%. The ratio increased from 30,8% to 39,5% since 2007/08. This increase can be ascribed to the fact that the external loans increased by 46,7% (for the Municipality) in relation to the increase of only 14,2% in total revenue.

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Total debt | 4 599 483 | 4 604 157 | 3 135 642 | 3 684 813 |
| Total revenue | 11 638 995 | 11 751 331 | 10 187 705 | 10 468 954 |
| Ratio | 39,52% | 38,18% | 30,78% | 35,20% |

### INVENTORY TURNOVER

Inventory turnover is considered a key measure of management efficiency. It is a measure of how often during a financial year a company sells and replaces its inventory. As a rule, a higher ratio for inventory turnover is better. However, the standard varies dramatically from industry to industry. A ratio of 2,5 times a year is considered acceptable for large municipalities.

June 2009: 2,8 times a year
June 2008: 2,8 times a year

Although the value of inventory increased by R24,7 million since 2007/08, the turnover remained unchanged at 2,8 times a year. This can be attributed to the fact that the turnover is an average calculated for all inventory items in all stores.

### OVERDRAFT (CASHBOOK BALANCE) PLUS SHORT-TERM LOANS TO TOTAL OPERATING REVENUE

According to credit rating companies, the benchmark is a ratio of less than 5%. As shown in the table below, the ratio improved owing to a decrease in the short-term portion of external loans (a decrease of 22,5%) and a decrease in the bank overdraft, while the revenue increased by 14,2% since 2007/08.

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Cash book overdraft | 95 417 | 95 417 | 106 407 | 106 679 |
| Short-term portion of external loans | 133 693 | 134 009 | 172 573 | 189 530 |
| Overdraft plus short-term loans | 229 110 | 229 426 | 278 980 | 296 209 |
| Total operating revenue | 11 638 995 | 11 751 331 | 10 187 705 | 10 468 954 |
| Ratio | 1,97% | 1,95% | 2,74% | 2,83% |

### CASH TO INTEREST COVERAGE

This ratio indicates to what extent a local authority can generate sufficient cash from its normal activities to cover its external interest liabilities. If the ratio is less than 1:1, it may indicate future cash-flow problems. The ratio for the past two financial years is as follows:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Cash generated from operations (Net cash flow) | 1 943 934 | 1 803 298 | 1 718 526 | 1 692 180 |
| Interest paid on external loans | 507 584 | 508 313 | 361 757 | 431 490 |
| Ratio | 3,83: 1 | 3,55:1 | 4,75: 1 | 3,92:1 |

The ratio shows a deterioration for the Municipality, as the interest paid on external loans increased by R145,8 million (40,3%) and the cash generated from operations increased by R225,4 million (13,1%) since 2007/08. This deterioration is a further indication of the cash-flow challenges that the Municipality is currently experiencing.

The ratio also deteriorated since 2007/08 for the Group, as the cash generated from operations increased by R111,1 million (6,6%) and the interest paid on external loans increased by R76,8 million (17,8%).

### CAPITAL CHARGES (INTEREST AND DEPRECIATION) TO TOTAL ANNUAL OPERATING REVENUE

The ratio indicates to what extent the expenditure in respect of interest paid on external loans and depreciation is covered by operating revenue.

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Total operating revenue | 11 638 995 | 11 751 331 | 10 187 705 | 10 468 954 |
| Interest paid on external loans | 507 584 | 508 313 | 361 757 | 431 490 |
| Depreciation | 500 104 | 502 939 | 574 907 | 613 963 |
| Capital charges | 1 007 688 | 1 011 252 | 936 664 | 1 045 453 |
| Ratio | 11,55: 1 | 11,62:1 | 10,88: 1 | 10,01:1 |

The ratio for the Municipality improved since 2007/08, because capital charges increased by R71 million (7,6%), while the operating revenue increased by R1 451,2 million or 14,2%. The ratio improved from 10,01 to 11,62 for the Group.

### DEBT-TO-CASH RATIO

This ratio indicated below is a yardstick to measure the time (in years) that it will take a local authority to pay off its debt (loans) from cash generated by operating activities. The ratio for the past two financial years is as follows:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Long-term debt | 4 599 483 | 4 604 157 | 3 135 642 | 3 684 813 |
| Cash generated from operations | 1 943 934 | 1 803 298 | 1 718 526 | 1 692 180 |
| Ratio | 2,37: 1 | 2,55:1 | 1,83: 1 | 2,18:1 |

The ratio for the Municipality deteriorated, as the long-term debt increased by R1 463,8 million (46,7%), while the cash generated from operations increased by only R225,4 million (13,1%) since 2007/08. Based on the ratio, it will now take longer to repay loans. The ratio deteriorated less for the Group, because the loans of Roodeplaat Temba Water Services Trust to the value of R518,1 million were taken over by the Municipality on disestablishment of the entity on 1 July 2008.

### FINANCING TO CAPITAL EXPENDITURE RATIO

Local authorities normally finance their capital expenditure from external loans. This ratio enables the user to analyse the extent to which external loans are used to finance capital expenditure. The ratio for the past two financial years is as follows:

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'00 | Group R'000 |
| Net increase/(net decrease) in long-term loans | 1 458 624 | 940 452 | 43 749 | 14 176 |
| Net increase/(net decrease) in finance lease liabilities | 5 218 | (19 030) | 52 470 | 78 795 |
| | 1 463 842 | 921 422 | 96 219 | 92 971 |
| Cash used in capital expenditure | 3 326 808 | 2 839 963 | 2 211 743 | 2 221 750 |
| Ratio | 0,44: 1 | 0,33:1 | 0,04: 1 | 0,04:1 |

A ratio which is less than 1:1 is an indication that more cash was spent on infrastructure (capital expenditure) than was borrowed. If this ratio exceeds 1:1 over several years, it indicates that too many funds are obtained externally, which may even mean that loans are used to finance operating expenditure. Compared to 2007/08 the Municipality borrowed more than the previous year (also see Note 33 to the Consolidated Annual Financial statements).

### REPAIRS AND MAINTENANCE TO ANNUAL OPERATING REVENUE

The ratio indicates to what extent the expenditure in respect of repairs and maintenance is covered by operating revenue.

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Annual operating revenue | 11 638 995 | 11 751 331 | 10 187 705 | 10 468 954 |
| Repairs and maintenance | 1 125 506 | 1 127 186 | 894 629 | 897 807 |
| Percentage | 9,67% | 9,59% | 8,78% | 8,58% |

The ratio deteriorated as a result of the repairs and maintenance increasing by 25,8% (Group increased by 25,5%), while the operating revenue increased by only 14,2% (Group increased by 12,2%).

### NET DEBTORS TO TOTAL ANNUAL OPERATING REVENUE

The ratio indicates to what extent the net outstanding debtors are covered by operating revenue.

| Description | 2008/09 | | 2007/08 | |
|---|---|---|---|---|
| | Parent R'000 | Group R'000 | Parent R'000 | Group R'000 |
| Annual operating revenue | 11 638 995 | 11 751 331 | 10 187 705 | 10 468 954 |
| Net debtors (after provision for bad debt) | 3 322 613 | 3 382 378 | 2 686 415 | 2 720 577 |
| Percentage | 28,55% | 28,69% | 26,37% | 25,99% |

The ratio shows a slight deterioration for the Municipality as a result of the net debtors increasing 23,7% while the operating revenue increased by 14,2%.

## CREDIT RATING (FOR THE PARENT)

The firm Moody's Investors Services South Africa (Pty) Ltd performed a credit rating of the Municipality during March 2009 (based on the annual financial statements for the year ended 30 June 2008) and awarded the following rating to the City of Tshwane (stable rating outlook):

- **Long-term debt rating (maturities of one year or greater): Aa3**
  *Defined as high grade. "Aa" rated are judged to be of a high quality and are subject to very low credit risk.*

- **Short-term debt rating (maturities of less than one year): Prime-1**
  *Defined as the highest quality. A high certainty of timely payment is indicated.*

- **Financial outlook: The grading changed from stable to negative**
  *The negative outlook factors the weakening of the City of Tshwane's liquidity profile. The administration's strategy to maintain a conservative financial policy, streamline operating expenditure and enhance revenue collection is not likely to produce the desired effect on the City of Tshwane's liquidity position in the short to medium term.*

## MUNICIPAL ENTITIES

### VIABLE MUNICIPAL ENTITIES

Of the entities evaluated, the following were found to be viable:

- Civirelo Water
- Sandspruit Works Association
- Housing Company Tshwane
- Tshwane Economic Development Agency (newly created – not in full operation yet)

### ENTITIES NOT VIABLE AND LIQUIDATION PROCESS IS UNDERWAY

The following companies are not viable:

- Tradepoint Pretoria
- Tshwane Centre for Business Information and Support (Cenbis)

### CONSOLIDATION OF MUNICIPAL ENTITIES

Consistent with the prior three financial years, separate consolidated financial statements will be compiled for the City of Tshwane and its operational municipal entities, namely:

- Housing Company Tshwane
- Sandspruit Works Association:
- Civirelo Water
- Tradepoint Pretoria
- Tshwane Centre for Business Information and Support (Cenbis) – no statements were submitted for 2008/09

## CHALLENGES EXPERIENCED BY THE MUNICIPALITY DURING 2008/09

## IMPLEMENTATION OF ACCOUNTING STANDARDS

The City of Tshwane experienced problems with the implementation of certain accounting standards during the compilation of the 2007/08 financial statements and therefore had to make use of the exemptions granted by National Treasury in *Government Gazette* 30013 of 29 June 2007.

The City of Tshwane had to comply with the accounting framework set out in paragraph 1 of the accounting policies contained in the Consolidated Annual Financial Statements of 2008/09. This accounting framework was determined in Directive 5 issued by the Accounting Standards Board on 31 March 2009.

## COMPLIANT FIXED ASSET REGISTER

It was a tremendous challenging exercise during the 2007/08 financial year to produce a compliant and purified asset register. During the 2008/09 financial year the asset register information from the external systems was loaded on the SAP system. Verification, review of useful lives, impairment, etc was done during the year-end process of 2008/09. However, it became evident that most of the requirements of the new accounting standards cannot be maintained within the current SAP system. Most of these requirements will have to be maintained outside the system for financial statement purposes.

## LEASE REGISTER

A similar problem existed with the lease register in the 2008/09 as in the 2007/08 financial year. However, the lease register, calculations and necessary disclosure requirements were updated on the 2008/09 financial statements. The maintenance of the lease register will also have be addressed as a matter of urgency during the 2009/10 financial year.

## ECONOMIC RECESSION AND CASH-FLOW CHALLENGES

The world economy is in a worse position than it has been in several decades. In the same way as the rest of the world, the economy of South Africa has been equally affected by this slow down. The most visible signs of this dilemma are experienced through job losses, and growth in the unemployment rate and in the number of households classified as being below poverty levels.

Owing to the economic climate (job losses, high inflation, interest rates, petrol and food prices, etc) many people are struggling to cover their monthly household expenditures, with the result that municipal accounts is no longer high on consumers' list of priority payments. The Municipality is also affected by the mentioned conditions and has to pay more for goods and services.

It is evident that the impact of the economic recession on residents, businesses and other institutions in the municipal boundaries of the City of Tshwane appears to be greater than originally anticipated, as the shortfall in the collection of revenue and the concomitant increase in consumer debt, as well as other liabilities (short- and long-term debt), have indicated that the Municipality is facing some serious challenges, similar to other municipalities, semi-government institutions and other government institutions.

This challenge would have to be collectively addressed by government on all three spheres in partnership with the private sector to enable the South African economy to withstand this onslaught, to show sustained growth and development, which in turn will create job opportunities or at least maintain current levels of employment, to ensure the future sustainability of service delivery in a developing economy where demand for services by far exceeds the availability of resources.

## APPRECIATION

I am grateful to the Executive Mayor, members of the Mayoral Committee, councillors, the Office of the Municipal Manager and strategic executive directors for the support they have given my staff and me during the 2008/09 financial year. A special word of appreciation to everyone for the months of hard work, sacrifices and concentrated efforts during the financial year to enable my department to finalise and submit the annual financial statements within the prescribed period of two months after year end (that is, by 31 August) and the consolidated annual financial statements within the prescribed period of three months after year end (that is, by 30 September 2009).

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**N MAKHARI**

**CHIEF FINANCIAL OFFICER**

## 4.3 CONSOLIDATED ACCOUNTING POLICIES FOR THE YEAR ENDED 2009

### 1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless otherwise stated.

These financial statements have been prepared in accordance with the standards of generally recognised accounting practice (grap) issued by the accounting standards board in accordance with section 122(3) of the municipal finance management act, 2003 (act 56 of 2003). The reporting framework as prescribed by the accounting standards board in directive 5 of march 2009 and which is deemed by the Municipality to be applicable to the Municipality is summarised as follows:

| GRAP Framework | Framework for the preparation and presentation of financial statements |
|---|---|
| GRAP 1 | Presentation of financial statements |
| GRAP 2 | Cash flow statements |
| GRAP 3 | Accounting policies, changes in accounting estimates and errors |
| GRAP 4 | The effects of changes in foreign exchange rates |
| GRAP 5 | Borrowing costs |
| GRAP 6 | Consolidated and separate financial statements |
| GRAP 7 | Investments in associates |
| GRAP 8 | Interests in joint ventures |
| GRAP 9 | Revenue from exchange transactions |
| GRAP 12 | Inventories |
| GRAP 13 | Leases |
| GRAP 14 | Events after the reporting date |
| GRAP 16 | Investment property |
| GRAP 17 | Property, plant and equipment |
| GRAP 19 | Provisions, contingent liabilities and contingent assets |
| GRAP 100 | Non-current assets held for sale and discontinued operations |
| GRAP 101 | Agriculture |
| GRAP 102 | Intangible assets |
| IFRS 7 | Financial instruments: Disclosures |
| IAS 19 | Employee benefits |
| IAS 32 | Financial instruments: Presentation |
| IAS 36 | Impairment of assets |
| IAS 39 | Financial instruments: Recognition and measurement |
| GAMAP 9.29–35 and 9.39–54 | Revenue (refer to GRAP 9.45) |
| IGRAP 1 | Applying the probability test on initial recognition of exchange revenue |
| IFRIC 4 | Determining whether an arrangement contains a lease |
| IFRIC 9 | Reassessment of embedded derivatives |
| IFRIC 14 | IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction |

Directives issued and effective as per Directive 5 of March 2009:

| | |
|---|---|
| Directive 1 | Repeal of existing transitional provisions in, and consequential amendments to, standards of GRAP |
| Directive 3 | Transitional provisions for the adoption of standards of GRAP by high-capacity municipalities |

Approved guidelines in terms of Directive 5 of March 2009:

| | |
|---|---|
| ASB Guide 1 | Guideline on accounting for public-private partnerships |

Effective accrual based IPSAS's in terms of Directive 5 of March 2009:

| | |
|---|---|
| IPSAS 20 | Related party disclosures |
| IPSAS 21 | Impairment of non-cash-generating assets |

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3. The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

The accounting policies applied are consistent with those used to present the previous year's financial statements, except where the implementation of an accounting standard has resulted in the change of an existing policy. The details of any changes in accounting policies are explained in the relevant policy.

Assets, liabilities, revenue and expenses have not been offset except when offsetting was required or permitted by a standard of GRAP.

2. BASIS OF CONSOLIDATION

Investments in associates, subsidiaries and joint ventures are carried at cost in the annual financial statements of the Municipality. Separate consolidated financial statements have been prepared to account for the Municipality's share of the net assets and post-acquisition results of these investments.

3. PRESENTATION CURRENCY

These annual financial statements are presented in South African rand, which is the functional currency of the Municipality, and are rounded to the nearest rand.

4. GOING-CONCERN ASSUMPTION

These annual financial statements have been prepared on a going-concern basis, that is the assumption that the Municipality will continue to operate as a going concern for the next 12 months at least.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

5.1 Fixed assets are stated –

- at historical cost less accumulated depreciation and any write-downs;
- or at fair value (market value) at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the existing asset will flow to the Municipality.

All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

The difference between the depreciation based on the revalued carrying amount of the asset charged to the Statement of Financial Performance and the depreciation based on the asset's original cost is transferred from other reserves to the accumulated surplus/deficit.

5.2 Depreciation

Depreciation is recognised on a straight-line basis over the estimated useful life of the asset to its residual value from the day that the asset is ready for use. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Estimated useful lives of assets

| **Asset category** | **Years** | **Asset category** | **Years** |
|---|---|---|---|
| **Infrastructure** | | **Other** | |
| Roads and paving | 30 | Buildings | 30 |
| Pedestrian malls | 30 | Specialist vehicles | 8–20 |
| Electricity | 20–30 | Other vehicles | 8 |
| Water | 15–20 | Office equipment | 5–8 |
| Sewerage | 15–20 | Furniture and fittings | 7–10 |
| Housing | 30 | Watercraft | 5 |
| | | Bins and containers | 5 |
| **Community** | | Specialised plant and equipment | 10–15 |

| | | | |
|---|---|---|---|
| Buildings | 30 | Other plant and equipment | 2–5 |
| Recreational facilities | 20–30 | Landfill sites and quarries | 1–50 |
| Security | 5 | Books | 10 |

Residual value is what the asset would currently receive if it had been in the condition it would be at the end of its useful life. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and any changes are recognised as a change in the accounting estimate in the Statement of Financial Performance.

The actual useful lives of the assets, residual values and depreciation method are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

5.3 Impairment of property, plant and equipment

The Municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

5.4 Disposal of property, plant and equipment

The gain or loss on the disposal or retirement of an item of property, plant and equipment is taken as the difference between the sales proceeds and the carrying value of the asset on the date of disposal, and is recognised in the Statement of Financial Performance.

5.5 Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite useful life. However, if improvements to heritage assets are made and registered as subassets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the subasset which was capitalised against the heritage asset.

5.6 Land

Land is not depreciated, as it is deemed to have an indefinite useful life.

5.7 Incomplete construction work (assets under construction)

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

6. INVESTMENT PROPERTY

Investment property, which is property held to earn rental revenue or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

7. INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. Generally, costs associated with the development of computer software programs are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the Municipality and has a probable benefit exceeding the cost beyond one year, are recognised as intangible assets.

Expenditure that enhances and extends the benefits of computer software programs beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

8. AGRICULTURAL/BIOLOGICAL ASSETS

Initial recognition

Agricultural/biological assets, which are defined as living animals or plants, are recognised on the Statement of Financial Position of the Municipality, when and only when the Municipality –

- controls the asset as a result of a past event;
- regards the inflow of future economic benefits from the use of the asset to be probable; and
- is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Agricultural/biological assets are stated at fair value less estimated point-of-sale costs with any resultant gain or loss recognised in the Statement of Financial Performance.

Subsequent measurement

Biological assets are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. A gain or loss arising on initial recognition of biological assets at fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises.

9. NON-CURRENT ASSETS HELD FOR SALE

9.1 Initial recognition

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

9.2 Subsequent measurement

Non-current assets held for sale or as a disposal group are measured at the lower of carrying amount and fair value less cost to sell. A non-current asset is not depreciated while it is classified as held-for-sale, or while it is part of a disposal group classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

10. INVENTORY

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Consumable stores, raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Land held for development, including land in the course of development until legal completion of the sale of the asset, is initially recorded at cost.

Where, through deferred purchase credit terms, cost differs from the nominal amount which will actually be paid in settling liability for the deferred purchase terms, no adjustment is made to the cost of the land, the difference being charged as a finance cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Cost of inventory comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

## 11. RESERVES

The Municipality creates and maintains reserves in terms of specific requirements.

### 11.1 Capital Replacement Reserve (CRR)

To finance the provision of infrastructure and other items of property, plant and equipment, amounts are transferred from the Statement of Financial Performance to the CRR in terms of the implementation guidelines on GAMAP/GRAP. These transfers from the net surplus may only be made if they are backed by cash. The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. The following provisions are set for the creation and use of the CRR:

- The cash that backs up the CRR is invested until it is used. The cash may only be invested in accordance with the investment policy of the Municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- The CRR may only be used for purchasing items of property, plant and equipment for the Municipality and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset purchased is transferred from the CRR into a future depreciation reserve called the Capitalisation Reserve (CR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the CRR. The Capitalisation Reserve is used to offset depreciation charged on assets purchased out of the CRR to avoid double taxation of consumers.
- If a gain is made on the sale of assets previously purchased out of the CRR the gain is reflected in the Statement of Financial Performance.

### 11.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various provincial ordinances applicable at the time, that had historically been used for the acquisition of items of property, plant and equipment, was transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The purpose of the Capitalisation Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to this item is transferred to the accumulated surplus/(deficit).

11.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

11.4 Self-insurance Reserve

A Self-insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account the claims history and replacement value of the insured assets.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.

The total amount of insurance premiums paid to external insurers is regarded as an expense and must be shown as such in the Statement of Financial Performance. The insurance premiums do not affect the Self-insurance Reserve.

- Claims received from external insurers are used in the calculation of a profit or loss on the scrapping of damaged assets and are therefore effectively recorded in the Statement of Financial Performance.

- Claims received to meet repairs of damages on assets are reflected as income in the Statement of Financial Performance.

The Self-insurance Reserve is based on recognised insurance industry principles. In determining the level of capacity required, an agreed methodology has been adopted. The calculation of the

required capacity of the Self-insurance Reserve is consistently applied annually based on the following methodology:

- Determination of the forecast surplus (free) capacity within the Self-insurance Reserve. The following liabilities are taken into account in determining this *surplus* capacity:
  - Reported known outstanding claims;
  - Statistically forecast losses for the remainder of the underwriting period (IBNR = claims incurred but not yet reported);
  - Probability and quantification of a catastrophe loss.
- Comparison of the surplus (free) capacity to the declared value of the highest service delivery asset to determine the shortfall that exists based on the assumption that sufficient capacity will be built up to cover that asset through the Self-insurance Reserve over an agreed period.
- Spread the shortfall over a five-year period (in terms of the Long-term Insurance Strategy).
- Adjust for inflation with the agreed relevant indices.
- Determine the annual premium contribution to reach the target capacity over a five-year period.
- Apply a probability and affordability factor to the ideal premium contribution to determine the budgeted premium contribution over a five-year period.

11.4.1 Self-insurance Future Depreciation Reserve

An amount equal to the carrying value of items of property, plant and equipment that had historically been used for the acquisition of property, plant and equipment from the Self-insurance Reserve has been transferred to a Self-insurance Future Depreciation Reserve instead of the accumulated surplus/(deficit).

The purpose of the Self-insurance Future Depreciation Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Self-insurance Future Depreciation Reserve equals the carrying value of the items of property, plant and equipment financed from the former Self-insurance Reserve. When items of property, plant and equipment are depreciated, a transfer is made from the Self-insurance Future Depreciation Reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment is disposed, the balance in the Self-insurance Future Depreciation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

11.5 COID Reserve

The Municipality has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases (COID). In terms of this exemption the Municipality has established a COID Reserve to offset claims from employees. Amounts are transferred to the COID Reserve from the accumulated surplus based on the statutory rate of contributions set out in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act

130 of 1993), as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Contributions to the COID Reserve is based on 1% of the annual remuneration of employees that qualify for COID benefits. All employees earning more than R189 840 a year are reinsured by what is called a "COID Wrap Around" policy.

Claims are paid as determined by the Compensation Commissioner and are reflected in the Statement of Financial Performance. Claims are settled by transferring a corresponding amount from the COID Reserve to the accumulated surplus in the Statement of Changes in Net Assets.

11.6 Donations and public contributions

Revenue received from donations and public contributions may be transferred to the Capital Replacement Reserve (CRR) and used via the CRR to finance items of property, plant and equipment.

12. HOUSING DEVELOPMENT FUND

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, require that the Municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires in terms of section 14(4)(d)(iii)(aa) read with, *inter alia,* section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be used by the Municipality for housing development subject to the approval of the provincial MEC responsible for housing.

The following provisions are set for the creation and use of the Housing Development Fund:

- The Housing Development Fund has its own separate bank account/allocated investments and is backed by cash.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund is recorded as part of interest earned in the Statement of Financial Performance and can be transferred via the Statement of Changes in Net Assets to the Housing Development Fund.
- Any cash-backed surplus/deficit on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

13. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

13.1 Clearing of alien vegetation

In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that existed.

13.2 Cleaning up of illegal dumping

Currently the Municipality is cleaning up illegal dumping on an ongoing basis as part of maintenance; therefore there is no backlog in cleaning. No provision is currently made for the cleaning up of illegal dumping.

13.3 Landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. A provision has been established in 2007/08. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

13.4 Quarries

In terms of section 52 (2)(d) of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002), the City of Tshwane is required to rehabilitate its quarries and borrow pits after they have been closed. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

14. RETIREMENT BENEFITS

14.1 Pension, provident and retirement funds

The Municipality and its employees contribute to various pension, provident and retirement funds and its councillors contribute to the Pension Fund for Municipal Councillors. The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed by the relevant funds regularly.

Current contributions are charged against the operating account of the Municipality at a percentage of the basic salary paid to employees, or allowances in the case of councillors. Pension contributions in respect of employees who are not members of a pension fund are recognised as an expense when incurred.

The Tshwane Pension Fund is a defined benefit plan. The cost of providing the benefits is determined on the basis of the projected unit credit method prescribed by IAS 19. Actuarial valuations are performed at every reporting date. The retirement benefit obligation presented in the Statement of Financial Position represents the sum of the present value of the obligation less the fair value of plan assets plus/minus any balance of unrecognised actuarial gains or losses, minus any balance of unrecognised past service costs.

Multi-employer funds are treated as defined contribution funds, due to the nature of these funds and the fact that assets are not specifically associated to meet the obligation in respect of individual employers in terms of paragraph 30 of IAS 19.

14.2 Medical aid: Continued members

The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The cost of providing these benefits is determined on the basis of the projected unit credit method prescribed by IAS 19. Future benefit values are projected using specific actuarial assumptions and the liability for in-service members is accrued over expected working lifetime. No plan assets exist and any actuarial gains and losses are recognised immediately.

15. LEASES

15.1 The Municipality as lessee

The City of Tshwane leases certain property, plant and equipment. Leases of property, plant and equipment where the City of Tshwane assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance lease assets and liabilities are recognised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the future minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic rate of interest on the remaining balances of the liability for each

period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

The Municipality will not incur a foreign currency lease liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

**15.2 The Municipality as Lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset.

16. FINANCIAL INSTRUMENTS

16.1 Financial assets

The City of Tshwane classifies its financial assets as follows:

- Loans and receivables
- Held to maturity
- Available-for-sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. With regard to reclassifications of financial assets, the entity may not reclassify a financial instrument into or out of the fair value through profit or loss category while it is held or issued.

a. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The City of Tshwane's loans and receivables comprise "trade receivables and other receivables" and cash and cash equivalents.

b. Held-to-maturity

Held-to-maturity (HTM) investments are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity. These investments have been normally encumbered and therefore must be held to maturity. The value of the investments is recorded at trade date.

HTM financial instruments created by the Municipality and not held for trading are subsequently recognised at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount and minus any write-down for impairment of uncollectability.

c. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date.

Regular purchase and sales of financial assets are recognised on the trade date – the date on which the City of Tshwane commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Financial Performance.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount presented in the Statement of Financial Position when –

(a) the City of Tshwane has a legally enforceable right to set off the recognised amount; and
(b) the City of Tshwane intends either to settle on a net basis, or realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the City of Tshwane will not offset the transferred asset and the associated liability.

Derecognition

Financial assets are derecognised when the right to receive cash flows from the investments has expired or has been transferred, and the Municipality has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Impairment

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. Impairment losses recognised in the Statement of Financial Performance on equity instruments are not reversed through the Statement of Financial Performance. Impairment testing of trade receivables is described in paragraph 16.3.

Disposal

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Counterparty exposure

The City of Tshwane limits its counterparty exposure arising from the money market by only dealing with established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The credit ratings of these institutions are reviewed quarterly and investments are spread across different types of approved investments and institutions.

Hedging

Hedging is not applicable to the accounting treatment of financial instruments in the City of Tshwane.

Derivative financial instruments

Derivative financial instruments, principally interest rate swap contracts, are used by the City of Tshwane in its management of financial risks. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. Payments and receipts under interest rate swap contracts are recognised in the Statement of Financial Performance on a basis consistent with the corresponding fluctuations in the interest payment on floating rate financial liabilities. The carrying amounts of interest rate swaps, which comprise net interest receivables and payables accrued, are included in assets and liabilities respectively.

16.2 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. It should also be added that interest-bearing borrowings are classified as non-current and current liabilities.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

Interest-bearing borrowings are classified as non-current and current liabilities unless the Municipality has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The interest risk is managed by maintaining an appropriate mix between fixed and variable rate borrowings. The Municipality borrows more than 50% of funds at a fixed rated to reduce the risk of interest fluctuations.

16.3 Accounts receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for bad debt account, and the amount of the loss is recognised in the Statement of Financial Performance. When a trade receivable is uncollectible, it is written off against the provision for bad debt account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Financial Performance.

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts with regard to arrangements by consumer debtors are classified as long-term receivables.

16.3.1 Provision for bad debt

Provision for bad debt is made by an annual contribution of electricity and water levies, debtor's revenue from Fire Brigade Services, Ambulance Services and rentals excluding the Tshwane Market.

The annual contribution is determined by calculating the estimated non-payment by debtors for the financial year. The percentage contribution is calculated during the budget process each year and reviewed at year-end.

16.4 Accounts payable

16.4.1 Trade creditors

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

16.4.2 Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the potential liability (value of leave credits as at 30 June) of the Municipality.

17. CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility used. Finance charges on bank overdrafts are expensed as incurred. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Cash and cash equivalents and bank borrowings are subsequently recorded at face value.

18. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency of the Municipality (that is South African rands) using the rate of exchange prevailing on the date of the transaction.

Trade creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

The Municipality will not incur a foreign currency liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

19. REVENUE RECOGNITION

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the Municipality and these benefits can be measured reliably.

The percentage of completion method is used to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

19.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable.

19.1.1 Service charges relating to electricity, water and sanitation

Service charges relating to electricity, water and sanitation are based on consumption. Meters are read and billed on a monthly basis and revenue is recognised when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognised as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.

19.1.2 Services provided on a prepayment basis

Various services are provided on a prepayment basis in which case no formal billing takes place and income is accrued when received. Revenue is recognised at point of sale.

19.1.3 Interest earned on outstanding debtors

Interest on outstanding debtors is recognised on a time proportionate basis.

19.1.4 Income from agency services

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

19.1.5 Housing rental and instalments

Income in respect of housing rental and instalments is accrued monthly in advance. Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportionate basis.

19.1.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

19.1.7 Interest earned on investments

Interest earned on investments is recognised on a time proportionate basis that takes into account the effective yield on the investment.

19.1.8 Collection charges

Collection charges are recognised when such amounts are incurred.

19.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt of receivable qualifies for recognition as an asset and there is no liability to repay the amount.

19.2.1 Revenue from rates

Revenue from rates is recognised when the legal entitlement to this revenue arises. A site-rating system is applied. In terms of this system, assessment rates are levied on the land value of property and rebates are granted subject to certain conditions. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers.

19.2.2 Fines

Revenue from the issuing of fines is recognised when –

(a) it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;
(b) the amount of the revenue can be measured reliably; and
(c) the stage of completion of the transaction at the reporting date can be measured reliably.

Therefore –
(i) income in respect of traffic fines, spot fines and certain licences is accrued when received; and
(ii) revenue from the issuing of summonses is only recognised when notified by the public prosecutor of the amount actually collected.

The accrual is calculated based on experience of amounts collected on fines and summonses issued.

From 1 July 2008 the City of Tshwane was part of the pilot project of the new AARTO fines and act as a issuing authority. The new traffic revenue from traffic fines is recognised on an agency basis.

19.2.3 Donations and contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

19.2.4 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act, 2003 (Act 56 of 2003), and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

20. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. A liability is recognised when the criteria, conditions or obligations have not been met.

21. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance in terms of paragraph 10 of GRAP 5.

22. VALUE-ADDED TAX

The Municipality accounts for value-added tax on a cash basis.

23. SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D consistent with previous years.

24. GRANTS-IN-AID (EXPENSE)

The Municipality annually awards grants to individuals and organisations based on merit. When making these transfers, the Municipality does not –

receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
expect to be repaid in future; or
expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

25. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another tier of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and, where recovered, is subsequently accounted for as revenue in the Statement of Financial Performance.

26. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Municipal Systems Act, 2000 (Act 32 of 2000), the Public Office Bearers Act, 1993 (Act 20 of 1998), or in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure is accounted for as an expense in the Statement of Financial Performance and, where recovered, is subsequently accounted for as revenue in the Statement of Financial Performance.

27. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for as an expense in the Statement of Financial Performance and, where recovered, is subsequently accounted for as revenue in the Statement of Financial Performance.

28. COMPARATIVE INFORMATION

28.1 Current year comparatives

Budgeted amounts have been included in the annual Financial Statement of Performance for the current financial year only.

28.2 Previous year comparatives

When the presentation or classification of items in the annual financial statements is amended, previous period comparative amounts are reclassified. The nature and reason for the reclassification are disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the previous year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the previous year comparatives are restated accordingly.

The comparative figures (2007/08 accounting policy and disclosures) may not be consistent with the current year accounting policies and disclosures due to the implementation of the new GRAP standards which became effective on 1 July 2008.

29. TAXATION

The City of Tshwane Metropolitan Municipality is exempt from tax in terms of section 10(1)cb(i)(ff) of the Income Tax Act.

30. ESTIMATES

The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the City of Tshwane's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes to the financial statements where applicable.

31. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been adopted yet by the Municipality:

| | | |
|---|---|---|
| GRAP 18 | - | Segment reporting (issued March 2005) |
| GRAP 21 | - | Impairment of non-cash-generating assets |
| GRAP 23 | - | Revenue from non-exchange transactions (taxes and transfers) (issued February 2008) |
| GRAP 24 | - | Presentation of budget information in financial statements (issued November 2007) |
| GRAP 26 | - | Impairment of cash-generating assets (issued March 2009) |
| GRAP 103 | - | Heritage assets (issued July 2008) |

The impending changes will prove a challenge as systems need to be changed to ensure compliance with the disclosure requirements of these standards. Most of the changes will only pertain to disclosure requirements.

GRAP 18 segment reporting will have a major impact on the financial statements as the whole system of reporting will have to be changed before compliance with GRAP 18 will be possible.

# 4.4 FINANCIAL STATEMENTS

## 4.4.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

| | Note | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| **ASSETS** | | R | R | R | R |
| **Current assets** | | 4,005,148,826 | 3,284,766,277 | 4,089,355,726 | 3,543,869,496 |
| Inventory | 15 | 241,320,519 | 216,602,418 | 259,899,193 | 232,918,709 |
| Consumer debtors | 16 | 2,667,419,972 | 2,392,902,525 | 2,686,009,151 | 2,401,050,206 |
| Other debtors | 17 | 705,015,225 | 293,512,862 | 735,556,504 | 319,527,120 |
| Non-current assets held for sale | 12 | 394,315 | 0 | 394,315 | 0 |
| Current portion of long-term receivables | 14 | 123,832,808 | 103,377,148 | 123,832,808 | 103,377,148 |
| Call investment deposits | 13.2 | 177,605,393 | 235,135,631 | 187,814,191 | 272,462,172 |
| Bank balances and cash | 19 | 89,560,594 | 43,235,693 | 95,849,564 | 214,534,141 |
| **Non-current assets** | | 13,780,329,712 | 10,977,002,065 | 13,810,417,464 | 11,403,738,148 |
| Fixed assets: | | 12,823,003,790 | 10,099,164,373 | 12,850,580,403 | 10,505,278,922 |
| Property, plant and equipment | 10.9 | 12,658,785,881 | 9,990,558,238 | 12,676,760,874 | 10,386,669,547 |
| Investment Property | 10.10 | 8,027,162 | 10,571,024 | 17,627,162 | 20,571,024 |
| Intangible assets | 10.11 | 156,190,747 | 98,035,111 | 156,192,367 | 98,038,351 |
| Leased assets | 10.13 | 252,871,839 | 247,780,561 | 252,871,839 | 261,544,377 |
| Biological Assets: Livestock | 11 | 17,007,999 | 14,741,255 | 17,007,999 | 14,741,255 |
| Investments | 13.1 | 500,346,374 | 425,553,069 | 502,857,513 | 432,410,787 |
| Long-term receivables | 14 | 187,099,710 | 189,762,807 | 187,099,710 | 189,762,807 |
| **Total Assets** | | **17,785,478,538** | **14,261,768,342** | **17,899,773,190** | **14,947,607,644** |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | 3,929,017,392 | 2,886,054,459 | 4,033,860,826 | 3,010,608,025 |
| Consumer deposits | 6 | 282,759,977 | 267,978,963 | 285,243,276 | 269,510,010 |
| Creditors | 7 | 2,656,933,299 | 1,755,705,926 | 2,741,347,012 | 1,847,095,150 |
| Unspent conditional grants and receipts | 8 | 419,920,338 | 328,760,232 | 433,598,771 | 333,043,184 |
| VAT | 9 | 164,585,154 | 104,380,809 | 167,620,490 | 113,720,301 |
| Bank overdraft | 19 | 95,416,694 | 106,407,370 | 95,416,694 | 106,678,519 |
| Provisions | 5 | 0 | 0 | 917,255 | 782,275 |
| Current portion of long-term liabilities | 2 | 133,693,231 | 172,572,966 | 134,008,629 | 189,530,393 |
| Current portion of finance lease liabilities | 3.1 | 175,708,699 | 150,248,193 | 175,708,699 | 150,248,193 |
| **Non-current liabilities** | | 5,499,261,633 | 3,738,924,810 | 5,503,620,267 | 4,271,138,722 |
| Long-term liabilities | 2 | 4,203,274,984 | 2,705,771,524 | 4,207,633,618 | 3,211,659,565 |
| Finance lease liabilities | 3.1 | 86,806,115 | 107,048,837 | 86,806,115 | 131,296,586 |
| Deferred operating lease liability | 3.2 | 0 | 0 | 0 | 2,078,122 |
| Post-employment benefit liability | 36 | 1,004,196,000 | 838,893,000 | 1,004,196,000 | 838,893,000 |
| Non-current provisions | 4.4 | 204,984,534 | 87,211,449 | 204,984,534 | 87,211,449 |

| | Note | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| **Total Liabilities** | | **9,428,279,025** | **6,624,979,269** | **9,537,481,093** | **7,281,746,747** |
| **Net Assets** | | **8,357,199,513** | **7,636,789,072** | **8,362,292,097** | **7,665,860,896** |
| **NET ASSETS** | | | | | |
| Housing Development Fund and Reserves | | 7,339,774,689 | 6,777,266,678 | 7,339,774,689 | 6,777,267,878 |
| Accumulated surplus | | 1,017,424,824 | 859,522,394 | 1,022,517,408 | 888,593,018 |
| **Total Net Assets and Liabilities** | | **8,357,199,513** | **7,636,789,072** | **8,362,292,097** | **7,665,860,896** |

## 4.4.2 STATEMENT OF FINANCIAL PERFORMANCE

| | | MUNICIPALITY | | | | GROUP | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2009 | | 2008 | | 2009 | | 2008 | |
| | Note | Actual | Adjustment budget | Actual | Adjustment budget | Actual | Adjustment budget | Actual | Adjustment Budget |
| | | R | R | R | R | R | R | R | R |
| **REVENUE** | | | | | | | | | |
| Property rates | 20 | 2,299,623,948 | 2,530,500,000 | 2,185,065,026 | 2,007,541,000 | 2,299,523,005 | 2,530,500,000 | 2,184,999,728 | 2,007,541,000 |
| Service charges | 21 | 5,647,685,341 | 5,948,707,000 | 4,838,958,770 | 4,769,479,797 | 5,749,212,670 | 5,948,707,000 | 4,925,025,127 | 4,769,479,797 |
| Regional Services Levies | | 0 | 0 | 0 | 20,000,000 | 0 | 0 | 0 | 20,000,000 |
| Rental of facilities and equipment | | 87,687,033 | 71,756,960 | 84,317,308 | 74,495,934 | 98,877,333 | 71,756,960 | 90,860,818 | 74,495,934 |
| Interest earned - external investments | | 122,499,553 | 120,441,000 | 135,554,608 | 113,303,229 | 125,804,444 | 120,441,000 | 158,014,824 | 113,303,229 |
| Interest earned - outstanding debtors | | 279,267,901 | 173,624,000 | 179,065,234 | 160,432,604 | 298,653,352 | 173,624,000 | 194,352,139 | 160,432,604 |
| Fines | | 31,241,834 | 55,160,221 | 39,354,788 | 49,433,869 | 31,241,834 | 55,160,221 | 39,354,788 | 49,433,869 |
| Licences and permits | | 28,423,732 | 24,930,991 | 29,498,520 | 23,049,903 | 28,423,732 | 24,930,991 | 29,498,520 | 23,049,903 |
| Government grants and subsidies | 22 | 2,275,363,522 | 2,667,416,951 | 1,924,285,012 | 2,201,857,795 | 2,274,418,557 | 2,667,416,951 | 1,926,558,232 | 2,201,857,795 |
| Other income | 23 | 612,705,674 | 672,386,146 | 541,766,130 | 619,483,107 | 590,672,297 | 672,386,146 | 690,450,225 | 619,483,107 |
| Public contributions | | 226,447,787 | 138,000,000 | 221,175,922 | 155,000,000 | 226,447,787 | 138,000,000 | 221,175,922 | 155,000,000 |
| Gains on disposal of property, plant and equipment | | 2,779,292 | 41,301,938 | 4,936,900 | 40,352,144 | 2,786,173 | 41,301,938 | 4,936,900 | 40,352,144 |
| Gain: Changes in fair value of livestock | 11 | 2,266,744 | 0 | 3,726,697 | 0 | 2,266,744 | 0 | 3,726,697 | 0 |
| Gain: Disestablishment of municipal entity | 42.3 | 23,002,905 | 0 | 0 | 0 | 23,002,905 | 0 | 0 | 0 |
| **TOTAL REVENUE** | | **11,638,995,266** | **12,444,225,207** | **10,187,704,915** | **10,234,429,382** | **11,751,330,833** | **12,444,225,207** | **10,468,953,920** | **10,234,429,382** |
| **EXPENDITURE** | | | | | | | | | |
| Employee related costs | 24 | 3,009,111,305 | 3,281,323,070 | 2,621,002,843 | 2,729,726,831 | 3,061,853,987 | 3,281,323,070 | 2,665,393,656 | 2,729,726,831 |
| Remuneration of Councillors | 25 | 55,350,803 | 73,992,387 | 44,201,359 | 47,914,093 | 55,350,803 | 73,992,387 | 44,201,359 | 47,914,093 |
| Bad debts: contribution | | 210,896,373 | 71,359,812 | 179,914,390 | 19,920,755 | 238,917,368 | 71,359,812 | 230,254,392 | 19,920,755 |

| | | MUNICIPALITY | | | | GROUP | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2009 | | 2008 | | 2009 | | 2008 | |
| | Note | Actual | Adjustment budget | Actual | Adjustment budget | Actual | Adjustment budget | Actual | Adjustment Budget |
| | | R | R | R | R | R | R | R | R |
| Bad debts: written off - consumer and sundry debtors | | 165,228,232 | 60,414,000 | 100,732,978 | 109,100,000 | 193,630,109 | 60,414,000 | 100,732,978 | 109,100,000 |
| Collection costs | | 72,511,251 | 72,780,752 | 72,224,153 | 63,178,651 | 72,511,251 | 72,780,752 | 72,224,153 | 63,178,651 |
| Depreciation | 26 | 500,104,539 | 862,988,273 | 574,906,652 | 728,387,673 | 502,939,437 | 862,988,273 | 613,963,377 | 728,387,673 |
| Asset impairment | | 6,901,250 | 0 | 0 | 0 | 6,901,250 | 0 | 0 | 0 |
| Interest paid | 27 | 507,584,152 | 411,961,352 | 361,757,332 | 382,138,723 | 508,312,549 | 411,961,352 | 431,489,612 | 382,138,723 |
| Bulk purchases | 28 | 2,718,185,952 | 2,789,472,300 | 2,206,818,210 | 2,232,955,941 | 2,835,273,617 | 2,789,472,300 | 2,214,193,693 | 2,232,955,941 |
| Repairs and maintenance | | 1,125,506,266 | 942,539,899 | 894,628,918 | 749,310,022 | 1,127,185,923 | 942,539,899 | 897,807,296 | 749,310,022 |
| Grants and subsidies paid | 29 | 9,833,837 | 12,953,000 | 11,584,679 | 12,285,250 | 9,833,837 | 12,953,000 | 11,584,679 | 12,285,250 |
| Loss on disposal of property, plant and equipment | | 9,069,358 | 11,000 | 23,423,391 | 9,900 | 9,069,358 | 11,000 | 23,423,391 | 9,900 |
| General expenses | 30 | 2,528,301,508 | 2,683,757,545 | 2,757,533,009 | 2,263,439,651 | 2,428,812,607 | 2,683,757,545 | 2,868,324,787 | 2,263,439,651 |
| **TOTAL EXPENDITURE** | | **10,918,584,826** | **11,263,553,390** | **9,848,727,914** | **9,338,367,490** | **11,050,592,096** | **11,263,553,390** | **10,173,593,373** | **9,338,367,490** |
| **Net Surplus for the year** | | **720,410,440** | **1,180,671,817** | **338,977,001** | **896,061,892** | **700,738,737** | **1,180,671,817** | **295,360,547** | **896,061,892** |
| **Refer to Appendix E for the comparison with the approved budget** | | | | | | | | | |

## 4.4.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009 – PARENT

| | Housing Development Fund | Capital Replacement Reserve | Capitalisation Reserve | Government Grant Reserve | COID Reserve | Self Insurance Reserve | Self Insurance: FDR | Total Reserves | Accumulated Surplus/ (Deficit) | Total: Net Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| | R | R | R | R | R | R | R | R | R | R |
| **2008** | | | | | | | | | | |
| **Balance at 1 July 2007** | **141,152,353** | **501,152,806** | **2,008,028,104** | **3,506,835,333** | **62,694,963** | **65,637,380** | **332,487** | **6,285,833,426** | **761,314,423** | **7,047,147,849** |
| Prior year adjustments (see Note 43.6) | | | | | | | | **0** | 250,664,222 | 250,664,222 |
| Prior year adjustments: Reserves(see Note 43.6) | | | 139,469,413 | 7,553,936 | | | | **147,023,349** | (147,023,349) | |
| Net surplus for the year | | | | | | | | **0** | 338,977,001 | 338,977,001 |
| Asset purification/retirements | | | (18,537,534) | (85,335,055) | | | | **(103,872,589)** | 103,872,589 | 0 |
| Property, plant and equipment purchased: Capitalised | | (378,715,875) | 378,715,875 | | | | | **0** | 0 | 0 |
| Capital grants used to purchase PPE (revenue recognised) | | | | 467,680,281 | | | | **467,680,281** | (467,680,281) | 0 |
| Contribution: Workmen's Compensation (from employees) | | | | | 6,178,310 | | | **6,178,310** | (6,178,310) | 0 |
| Transfer from Housing Development Fund | (12,232,466) | | | | | | | **(12,232,466)** | 12,232,466 | 0 |
| Transfer from Insurance Reserve | | | | | 0 | 163,313,466 | | **163,313,466** | (163,313,466) | 0 |
| Transfer to Capital replacement reserve (Tshwane Market) | | 16,219,136 | | | | | | **16,219,136** | (16,219,136) | 0 |
| Transfer to Capital replacement reserve: General | | 168,501,412 | | | | | | **168,501,412** | (168,501,412) | 0 |
| Offsetting of depreciation | | | (267,942,951) | (93,390,852) | | 0 | (43,844) | **(361,377,647)** | 361,377,647 | 0 |
| **Balance at 30 June 2008** | **128,919,887** | **307,157,479** | **2,239,732,907** | **3,803,343,643** | **68,873,273** | **228,950,846** | **288,643** | **6,777,266,678** | **859,522,394** | **7,636,789,072** |

| | Housing Development Fund | Capital Replacement Reserve | Capitalisation Reserve | Government Grant Reserve | COID Reserve | Self Insurance Reserve | Self Insurance: FDR | Total Reserves | Accumulated Surplus/ (Deficit) | Total: Net Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **2009** | | | | | | | | | | |
| Net surplus for the year | | | | | | | | **0** | 720,410,440 | 720,410,440 |
| Asset purification/retirements | | 317,641,199 | (326,781,703) | (3,842,084) | | | | **(12,982,588)** | 12,982,588 | 0 |
| Property, plant and equipment purchased: Capitalised | | (441,137,531) | 441,137,531 | | | | | **0** | 0 | 0 |
| Capital grants used to purchase PPE (revenue recognised) | | | | 650,643,403 | | | | **650,643,403** | (650,643,403) | 0 |
| Contribution: Workmen's Compensation (from employees) | | | | | 8,355,831 | | | **8,355,831** | (8,355,831) | 0 |
| Transfer from Housing Development Fund | (70,167) | | | | | | | **(70,167)** | 70,167 | 0 |
| Transfer from Insurance Reserve | | | | | | (38,264,782) | | **(38,264,782)** | 38,264,782 | 0 |
| Transfer to Capital replacement reserve (Tshwane Market) | | 25,590,421 | | | | | | **25,590,421** | (25,590,421) | 0 |
| Transfer to Capital replacement reserve (public contributions) | | 152,002,906 | | | | | | **152,002,906** | (152,002,906) | 0 |
| Offsetting of depreciation | | | (133,147,993) | (89,590,113) | | | (28,908) | **(222,767,014)** | 222,767,014 | 0 |
| **Balance at 30 June 2009** | **128,849,720** | **361,254,474** | **2,220,940,742** | **4,360,554,849** | **77,229,104** | **190,686,064** | **259,735** | **7,339,774,689** | **1,017,424,824** | **8,357,199,513** |

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**Note: Capitalisation reserve**

The handling of the Capitalisation Reserve differs from the guidelines of National Treasury as indicated in the specimen financial statements in the sense that the amount used to finance property, plant and equipment from the Capital Replacement Reserve since the implementation of GAMAP is not transferred to the Accumulated Surplus, but to the Capitalisation Reserve. The reasons for this deviation are the following:

- To offset future depreciation charges via a transfer from the reserve to prevent double taxation of ratepayers;
- To prevent distortion of the accumulated surplus which could possibly lead to utilisation other than the offsetting of depreciation;
- An accumulated surplus is not used to finance deficits on future budgets as a result of depreciation charges;
- The financing and offsetting of depreciation of property, plant and equipment financed from the Capital Replacement Reserve should be treated the same as property, plant and equipment financed from the Government Grant Reserve.

The effect on the financial statements would be the following if the guidelines of National Treasury were followed:

- Accumulated surplus will increase with R441,137,531 (2007/08 = R378,715,875 2006/07 = R94,508,184 and 2005/06 =R302,183,695 and 2004/05 = R909,806,168)
- Capitalisation Reserve will decrease with R441,137,531 (2007/08 = R378,715,875 2006/07 = R94,508,184 and 2005/06 = R302,183,695 and 2004/05 = R909,806,168)

### 4.4.4 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009 – GROUP

| | Housing Development Fund | Capital Replacement Reserve | Capitalisation Reserve | Government Grant Reserve | COID reserve | Self Insurance Reserve | Self Insurance: Future Depreciation Reserve | Roodeplaat Temba Water Services Trust: Statutory Donations Fund | Housing Company Tshwane: Grant Reserve | Total Reserves | Accumulated Surplus/ (Deficit) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | R | R | R | R | R | R | R | R | R | R | R | R |
| **2008 Balance at 1 July 2007** | **141,152,353** | **501,152,806** | **2,008,028,104** | **3,506,835,333** | **62,694,963** | **65,637,380** | **332,487** | **1,200** | **3,053,553** | **6,288,888,179** | **827,171,383** | **7,116,059,562** |
| Net surplus for the year | | 0 | | | | | | | | **0** | 295,360,547 | **295,360,547** |
| Prior year adjustments: Parent (see note 43.6) | | | | | | | | | | **0** | 250,664,222 | **250,664,222** |
| Prior year adjustments: Reserves(see Note 43.6) | | | 139,469,413 | 7,553,936 | | | | | | **147,023,349** | (147,023,349) | |
| Prior year adjustments: Sandspruit (see note 43.7) | | | | | | | | | | **0** | 70,076 | **70,076** |

| | Housing Development Fund | Capital Replacement Reserve | Capitalisation Reserve | Government Grant Reserve | COID reserve | Self Insurance Reserve | Self Insurance: Future Depreciation Reserve | Roodeplaat Temba Water Services Trust: Statutory Donations Fund | Housing Company Tshwane: Grant Reserve | Total Reserves | Accumulated Surplus/ (Deficit) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Prior year adjustments: Housing Company (see note 43.7) | | | | | | | | | (3,053,553) | **(3,053,553)** | 14,679,980 | **11,626,427** |
| Prior year adjustments: Roodeplaat Temba (see note 43.7) | | | | | | | | | | **0** | (7,809,766) | **(7,809,766)** |
| Prior year adjustments: Civirelo (see note 43.7) | | | | | | | | | | **0** | (110,172) | **(110,172)** |
| Asset purification/retirements | | | (18,537,534) | (85,335,055) | | | | | | **(103,872,589)** | 103,872,589 | **0** |
| Property, plant and equipment capitalised | | (378,715,875) | 378,715,875 | | | | | | | **0** | 0 | **0** |
| Capital grants used to purchase PPE (revenue recognised) | | 0 | | 467,680,281 | | | | | | **467,680,281** | (467,680,281) | **0** |
| Contribution: Workmen's Compensation (from employees) | | 0 | | | 6,178,310 | | 0 | | | **6,178,310** | (6,178,310) | **0** |
| Transfer from Housing Development Fund | (12,232,466) | 0 | | | | | | | | **(12,232,466)** | 12,232,466 | **0** |
| Transfer from Insurance Reserve | | 0 | | | | 163,313,466 | 0 | | | **163,313,466** | (163,313,466) | **0** |
| Transfer to Capital replacement reserve (Tshwane Market) | | 16,219,136 | | | | | | | | **16,219,136** | (16,219,136) | **0** |
| Transfer to Capital replacement reserve: General | | 168,501,412 | | | | | | | | **168,501,412** | (168,501,412) | **0** |
| Offsetting of depreciation | | 0 | (267,942,951) | (93,390,852) | | | (43,844) | | | **(361,377,647)** | 361,377,647 | **0** |
| **Balance at 30 June 2008** | **128,919,887** | **307,157,479** | **2,239,732,907** | **3,803,343,643** | **68,873,273** | **228,950,846** | **288,643** | **1,200** | **0** | **6,777,267,878** | **888,593,018** | **7,665,860,896** |
| **2009** | | | | | | | | | | | | |
| Net surplus for the year | | | | | | | | | | | 700,738,737 | **700,738,737** |

| | Housing Development Fund | Capital Replacement Reserve | Capitalisation Reserve | Government Grant Reserve | COID reserve | Self Insurance Reserve | Self Insurance: Future Depreciation Reserve | Roodeplaat Temba Water Services Trust: Statutory Donations Fund | Housing Company Tshwane: Grant Reserve | Total Reserves | Accumulated Surplus/ (Deficit) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Prior year adjustments: Housing Company Tshwane (Note 43) | | | | | | | | | | | 5,677,531 | **5,677,531** |
| Prior year adjustments: Civirelo (Note 43) | | | | | | | | | | | 5,504 | **5,504** |
| Prior year adjustment: Roodeplaat Temba Water Services Trust (Note 43) | | | | | | | | | | | (9,989,370) | **(9,989,370)** |
| Property valuation: Housing company Tshwane (note 43) | | | | | | | | (1,200) | 0 | **(1,200)** | | **(1,200)** |
| Asset purification/retirements | | 317,641,199 | (326,781,703) | (3,842,084) | | | | | | **(12,982,588)** | 12,982,588 | **0** |
| Property, plant and equipment capitalised | | (441,137,531) | 441,137,531 | | | | | | | **0** | 0 | **0** |
| Capital grants used to purchase PPE (revenue recognised) | | | | 650,643,403 | | | | | | **650,643,403** | (650,643,403) | **0** |
| Contribution: Workmen's Compensation (from employees) | | | | | 8,355,831 | | | | | **8,355,831** | (8,355,831) | **0** |
| Transfer from Housing Development Fund | (70,167) | | | | | | | | | **(70,167)** | 70,167 | **0** |
| Transfer from Insurance Reserve | | | | | | (38,264,782) | | | | **(38,264,782)** | 38,264,782 | **0** |
| Transfer to Capital replacement reserve (Tshwane Market) | | 25,590,421 | | | | | | | | **25,590,421** | (25,590,421) | **0** |
| Transfer to Capital replacement reserve: General | | 152,002,906 | | | | | | | | **152,002,906** | (152,002,906) | **0** |
| Offsetting of depreciation | | | (133,147,993) | (89,590,113) | | | (28,906) | | | **(222,767,012)** | 222,767,012 | **0** |
| **Balance at 30 June 2009** | **128,849,720** | **361,254,474** | **2,220,940,742** | **4,360,554,849** | **77,229,104** | **190,686,064** | **259,737** | **0** | **0** | **7,339,774,689** | **1,022,517,408** | **8,362,292,097** |

## 4.4.5 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

| | Note | MUNICIPALITY 2009 | MUNICIPALITY 2008 | GROUP 2009 | GROUP 2008 |
|---|---|---|---|---|---|
| | | R | R | R | R |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | |
| **Receipts:** | | **11,073,714,119** | **9,996,504,138** | **11,196,856,593** | **10,312,482,726** |
| Cash receipts from ratepayers, government and other | | 10,951,214,566 | 9,860,949,530 | 11,071,052,149 | 10,154,467,902 |
| Interest received | | 122,499,553 | 135,554,608 | 125,804,444 | 158,014,824 |
| **Payments:** | | **(9,129,780,284)** | **(8,277,978,310)** | **(9,393,558,407)** | **(8,620,302,812)** |
| Cash paid to suppliers and employees | | (8,622,196,132) | (7,916,220,982) | (8,885,245,858) | (8,188,813,204) |
| Interest paid | | (507,584,152) | (361,757,328) | (508,312,549) | (431,489,608) |
| **NET CASH FROM OPERATING ACTIVITIES** | 31 | **1,943,933,835** | **1,718,525,828** | **1,803,298,185** | **1,692,179,914** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of property, plant and equipment | | (3,326,807,998) | (2,211,743,117) | (2,839,962,695) | (2,221,750,291) |
| Gain: Change in fair value of livestock | | (2,266,744) | (3,726,697) | (2,266,744) | (3,726,697) |
| Proceeds on disposal of fixed assets | | 2,779,292 | 4,936,900 | 2,786,173 | 4,936,900 |
| Asset impairment | | (6,901,250) | - | (6,901,250) | - |
| Decrease/(increase) in non-current investments | | (74,793,305) | (14,269,160) | (70,446,726) | (14,335,608) |
| **NET CASH FROM INVESTING ACTIVITIES** | | **(3,407,990,005)** | **(2,224,802,074)** | **(2,916,791,242)** | **(2,234,875,696)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |

| | Note | MUNICIPALITY 2009 | MUNICIPALITY 2008 | GROUP 2009 | GROUP 2008 |
|---|---|---|---|---|---|
| **Net borrowings** | | **1,458,623,725** | **43,749,023** | **940,452,289** | **14,176,492** |
| Proceeds from borrowings | | 1,606,943,775 | 294,856,326 | 1,088,876,250 | 296,143,539 |
| Repayment of borrowings | | (148,320,050) | (251,107,303) | (148,423,961) | (281,967,047) |
| **Net lease liabilities** | | **5,217,784** | **52,469,549** | **(19,029,965)** | **78,795,420** |
| Proceeds from lease liabilities | | 142,287,330 | 147,884,381 | 142,287,330 | 147,884,381 |
| Repayment of lease liabilities | | (137,069,546) | (95,414,832) | (161,317,295) | (69,088,961) |
| **NET CASH FROM FINANCING ACTIVITIES** | | **1,463,841,509** | **96,218,572** | **921,422,324** | **92,971,912** |
| **NET CASH FLOW** | | **(214,661)** | **(410,057,674)** | **(192,070,733)** | **(449,723,870)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(214,661)** | **(410,057,674)** | **(192,070,733)** | **(449,723,870)** |
| Cash and cash equivalents at the beginning of the year | 32 | 171,963,954 | 582,021,628 | 380,317,794 | 830,041,664 |
| Cash and cash equivalents at the end of the year | 32 | 171,749,293 | 171,963,954 | 188,247,061 | 380,317,794 |

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## 4.4.6 NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 1 | **HOUSING DEVELOPMENT FUND** | | | | |
| | Housing Development Fund | 128,849,721 | 128,919,887 | 128,849,721 | 128,919,887 |
| | Unappropriated surplus | 197,856,184 | 197,926,350 | 197,856,184 | 197,926,350 |
| | Loans extinguished by Government on 1 April 1998 | 69,006,463 | 69,006,463 | 69,006,463 | 69,006,463 |
| | The Housing Development Fund is represented by the following assets and liabilities: | | | | |
| | Housing selling scheme loans | 66,750,728 | 108,239,423 | 66,750,728 | 108,239,423 |
| | Other debtors | 17,996,084 | 12,687,578 | 17,996,084 | 12,687,578 |
| | Bank and cash | 44,102,908 | 7,992,886 | 44,102,908 | 7,992,886 |
| | **Total Housing Development Fund Assets and Liabilities** | **128,849,720** | **128,919,887** | **128,849,720** | **128,919,887** |
| 2 | **LONG-TERM LIABILITIES** | | | | |
| | Local Registered Stock | 278,484,334 | 318,161,284 | 278,484,334 | 318,161,284 |
| | Long-term loans: | 4,058,483,882 | 2,560,183,206 | 4,063,157,914 | 3,083,028,674 |
| | Annuity loans | 3,571,456,946 | 2,073,261,434 | 3,571,456,946 | 2,073,261,434 |
| | Term loans | 487,026,936 | 486,921,772 | 491,407,968 | 1,009,767,240 |
| | Interest free loan | 0 | 0 | 293,000 | 0 |
| | | 4,336,968,216 | 2,878,344,490 | 4,341,642,248 | 3,401,189,958 |
| | LESS: Current portion transferred to current liabilities | 133,693,231 | 172,572,966 | 134,008,629 | 189,530,393 |
| | Local Registered Stock | 0 | 42,227,760 | 0 | 42,227,760 |
| | Annuity loans | 133,693,231 | 101,842,510 | 133,693,231 | 101,842,510 |
| | Term loans | 0 | 28,502,696 | 315,398 | 45,460,123 |
| | **Total External Loans** | **4,203,274,985** | **2,705,771,524** | **4,207,633,619** | **3,211,659,565** |
| | **Refer to Appendix A for more detail on long-term liabilities** | | | | |
| | **Amount invested specifically for the repayment of long-term liabilities. (See note 33 for more detail.)** | **598,458,250** | **568,644,654** | **598,458,250** | **568,644,654** |
| | **Maturity value of amount invested as security for long-term liabilities** | **788,466,682** | **815,559,792** | **788,466,682** | **815,559,792** |
| | **Term loans: are secured by:** 1. A general notarial bond over the movable assets of the Trust. 2. Cession of the Temba Lease Agreement. 3. The Debt Service Reserve Account, the Capital Reserve Account and the Operating Reserve Account. These loans are repayable 6 monthly over 15 years. | | | | |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| **Housing Company Tshwane**<br>A secured loan bearing interest at 14% per annum from National Housing Finance Corporation Ltd - repayable in the remaining 177 monthly instalments (initially 240 monthly instalments). Secured by a mortgage bond over the investment property with a fair value of R9 600 000 (subject to pending valuation results) plus a cession of all banking accounts, debtors books, all risk insurance policies.<br>Interest free loan convertible to a grant on meeting certain criteria from the Gauteng Partnership Fund. The book value of the loan amounts to R293 000. | | | | | |
| **3** | **LEASE LIABILITIES** | | | | |
| **3.1** | **Finance lease liabilities** | | | | |
| | Gross liability | 295,412,611 | 190,233,106 | 295,412,611 | 214,480,855 |
| | Future finance charges on finance leases | (32,897,797) | 67,063,924 | (32,897,797) | 67,063,924 |
| | **Total finance lease liability** | **262,514,814** | **257,297,030** | **262,514,814** | **281,544,779** |
| | **Non-current portion of finance lease liability** | | | | |
| | Gross liability | 117,333,687 | 88,349,912 | 117,333,687 | 112,597,661 |
| | Future finance charges on finance leases | (30,527,572) | 18,698,924 | (30,527,572) | 18,698,924 |
| | | **86,806,115** | **107,048,836** | **86,806,115** | **131,296,585** |
| | **Current portion of finance lease liability** | | | | |
| | Gross liability | 178,078,924 | 101,883,194 | 178,078,924 | 101,883,194 |
| | Future finance charges on finance leases | (2,370,225) | 48,365,000 | (2,370,225) | 48,365,000 |
| | | **175,708,699** | **150,248,194** | **175,708,699** | **150,248,194** |
| | **Finance lease liabilities - minimum future lease payments:** | | | | |
| | Not later than one year | 178,078,924 | 101,883,194 | 178,078,924 | 101,883,194 |
| | Later than one year but not later than five years | 117,333,687 | 88,349,912 | 117,333,687 | 89,311,594 |
| | Later than five years | 0 | 0 | 0 | 23,286,067 |
| | | 295,412,611 | 190,233,106 | 295,412,611 | 214,480,855 |
| | Future finance charges on finance leases | (32,897,797) | 67,063,924 | (32,897,797) | 67,063,924 |
| | Present value of finance lease liabilities | **262,514,814** | **257,297,030** | 262,514,814 | 281,544,779 |
| | **Refer to Appendix A for more detail on finance lease liabilities** | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **The present value of finance lease liabilities may be analysed as follows:** | | | | |
| | No later than one year | 175,708,699 | 153,046,433 | 175,708,699 | 153,046,433 |
| | Later than one year but not later than five years | 86,806,116 | 104,250,597 | 86,806,116 | 104,250,597 |
| | | 262,514,815 | 257,297,030 | **262,514,815** | **257,297,030** |
| | **Fair value of loans (amortised cost, that is PV)** | **262,514,814** | **257,297,030** | **262,514,814** | **257,297,030** |
| | **Collateral held in terms of the above lease (Net book amount of leased assets) (See note 10.13)** | **252,871,839** | **247,780,561** | **252,871,839** | **247,780,561** |
| | Lease liabilities are effectively secured as the rights to the leased asset revert to the Lessor in the event of default | | | | |
| **3.2** | | | | | |
| | **Deferred lease liabilities** | | | | |
| | Balance at the beginning of the year (brought in only from 2007/08) | | | 2,078,122 | 1,873,039 |
| | Expense realised | | | (2,078,122) | 205,083 |
| | **Balance at the end of the year** | | | **0** | **2,078,122** |
| **4** | **NON-CURRENT PROVISIONS** | | | | |
| **4.1** | **CLEARING OF ALIEN VEGETATION** | | | | |
| | Opening balance at the beginning of the year | 5,789,465 | 5,263,150 | 5,789,465 | 5,263,150 |
| | Contributions during the year | 7,246,569 | 3,716,659 | 7,246,569 | 3,716,659 |
| | Expenditure during the year | (6,667,623) | (3,190,344) | (6,667,623) | (3,190,344) |
| | **Closing balance at the end of the year** | **6,368,411** | **5,789,465** | **6,368,411** | **5,789,465** |
| | In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that exist. The provision will be phased in over a period. | | | | |
| **4.2** | **REHABILITATION OF LANDFILL SITES** | | | | |
| | The provision for landfill sites have been established from the 2007/08 financial year only. | | | | |
| | Opening balance at the beginning of the year | 63,360,000 | 0 | 63,360,000 | 0 |
| | Contributions during the year | 111,151,962 | 63,360,000 | 111,151,962 | 63,360,000 |
| | Expenditure during the year | 0 | 0 | 0 | 0 |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **Closing balance at the end of the year** | **174,511,962** | **63,360,000** | **174,511,962** | **63,360,000** |
| **4.3** | **REHABILITATION OF QUARRIES** | | | | |
| | The provision for quarries has been established from the 2007/08 financial year only. | | | | |
| | Opening balance at the beginning of the year | 18,061,984 | 0 | 18,061,984 | 0 |
| | Contributions during the year | 6,042,176 | 18,061,984 | 6,042,176 | 18,061,984 |
| | Expenditure during the year | 0 | 0 | 0 | 0 |
| | **Closing balance at the end of the year** | **24,104,160** | **18,061,984** | **24,104,160** | **18,061,984** |
| **4.4** | **Total non-current provisions** | | | | |
| | Opening balance at the beginning of the year | 87,211,449 | 5,263,150 | 87,211,449 | 5,263,150 |
| | Contributions during the year | 124,440,707 | 85,138,643 | 124,440,707 | 85,138,643 |
| | Expenditure during the year | (6,667,623) | (3,190,344) | (6,667,623) | (3,190,344) |
| | **Closing balance at the end of the year** | **204,984,533** | **87,211,449** | **204,984,533** | **87,211,449** |
| **5** | **CURRENT PROVISIONS** | | | | |
| | Performance bonus | | | 917,255 | 782,275 |
| | | | | **917,255** | **782,275** |
| **5.1** | **RECONCILIATION OF CURRENT PROVISIONS** | | | | |
| **5.1.1** | **Performance bonus:** | | | | |
| | Balance at the beginning of the year | | | 782,275 | 2,318,467 |
| | Contributions to provision | | | 134,980 | 782,275 |
| | Utilisation of provision | | | 0 | (2,318,467) |
| | **Balance at the end of the year** | | | **917,255** | **782,275** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 6 | **CONSUMER DEPOSITS** | | | | |
| | **Electricity and water** | **282,759,977** | **267,978,963** | **285,243,276** | **269,510,010** |
| | **Guarantees held in lieu of Electricity and Water deposits** | **143,634,350** | **128,909,639** | **143,634,350** | **128,909,639** |
| 7 | **CREDITORS** | | | | |
| | Trade creditors | 1,685,566,272 | 982,847,902 | 1,689,035,425 | 998,700,860 |
| | Payments received in advance | 66,841,273 | 3,873,614 | 129,656,975 | 58,127,847 |
| | Retentions | 142,689,724 | 96,661,285 | 142,689,724 | 103,699,574 |
| | Staff Leave accrual | 300,893,740 | 257,311,987 | 303,847,796 | 259,776,832 |
| | Deposits | 13,006,346 | 17,931,509 | 15,132,035 | 20,024,840 |
| | Other creditors | 447,935,944 | 397,079,629 | 460,985,057 | 406,765,197 |
| | **Total creditors** | **2,656,933,299** | **1,755,705,926** | **2,741,347,012** | **1,847,095,150** |
| 8 | **UNSPENT CONDITIONAL GRANTS AND RECEIPTS** | | | | |
| 8.1 | **Conditional Grants from other spheres of Government** | 410,882,455 | 318,164,899 | 410,882,455 | 318,164,899 |
| | Municipal Infrastructure Grant (MIG) | 34,572,314 | 37,952,350 | 34,572,314 | 37,952,350 |
| | Housing projects | 33,941,036 | 20,301,622 | 33,941,036 | 20,301,622 |
| | Department of Water Affairs and Forestry (DWAF) | 2,332,660 | 4,827,178 | 2,332,660 | 4,827,178 |
| | Finance Management Grant (FMG) | 1,515,238 | 1,304,688 | 1,515,238 | 1,304,688 |
| | Municipal System Improvement Grant (MSIG) | 498,400 | 498,400 | 498,400 | 498,400 |
| | Restructuring Grant | 41,106,512 | 86,786,106 | 41,106,512 | 86,786,106 |
| | Department Sport and Recreation | 38,279,649 | 45,242,563 | 38,279,649 | 45,242,563 |
| | Transportation and Engineering | 1,553,167 | 8,000,000 | 1,553,167 | 8,000,000 |
| | Department Public Works | 0 | 7,322,068 | 0 | 7,322,068 |
| | 2010 Host Cities | 40,000,000 | 0 | 40,000,000 | 0 |
| | Transport: World Cup Soccer | 207,683,644 | 105,786,086 | 207,683,644 | 105,786,086 |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | Neighbourhood watch development | 6,725,126 | 0 | 6,725,126 | 0 |
| | Eskom | 0 | 12,953 | 0 | 12,953 |
| | Provincial Local Economic Development Projects grant | 2,674,709 | 130,885 | 2,674,709 | 130,885 |
| **8.2** | **Other conditional Receipts** | 9,037,883 | 10,595,333 | 22,716,316 | 14,878,285 |
| | National Electrification Fund | 4,281,858 | 4,198,110 | 4,281,858 | 4,198,110 |
| | Bontle ke Botho | 1,563,400 | 1,457,223 | 1,563,400 | 1,457,223 |
| | Gauteng Arts and Culture | 574,936 | 0 | 574,936 | 0 |
| | Gauteng: Agriculture, Conservation and Environment | 6,250 | 440,000 | 6,250 | 440,000 |
| | Stipends (DBSA) | 54,000 | 0 | 54,000 | 0 |
| | DPLG: Health | 2,342,602 | 1,500,000 | 2,342,602 | 1,500,000 |
| | Monument Golf Club | 214,837 | 3,000,000 | 214,837 | 3,000,000 |
| | Other: Sandspruit | 0 | 0 | 13,678,433 | 4,282,952 |
| | **Total Conditional Grants and Receipts (See Note 22 for reconciliation).** | **419,920,338** | **328,760,232** | **433,598,771** | **333,043,184** |
| **9** | **VAT** | | | | |
| | **VAT payable** | **164,585,154** | **104,380,809** | **167,620,490** | **113,720,301** |
| | VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **10 PROPERTY, PLANT AND EQUIPMENT (Reconciliation of Carrying values)** | | | | |
| **10.1 INFRASTRUCTURE** | | | | |
| **Carrying value at 1 July** | 6,737,266,620 | 5,407,435,097 | 6,746,027,866 | 5,415,753,097 |
| Cost | 8,888,481,702 | 7,336,282,784 | 8,899,904,937 | 7,346,503,035 |
| Accumulated depreciation: Restatement - Zero value assets | 0 | 71,605,445 | 0 | 71,605,445 |
| Accumulated depreciation | (2,151,215,082) | (2,000,453,132) | (2,153,877,071) | (2,002,355,383) |
| **Acquisitions** | 2,014,508,787 | 2,299,852,932 | 1,666,993,461 | 2,300,296,178 |
| Additions | 1,134,935,184 | 1,876,235,172 | 1,136,178,609 | 1,877,650,290 |
| Additions: Capital under construction | 825,183,264 | 639,207,766 | 825,183,264 | 639,207,766 |
| Acquisitions: Roodeplaat Temba Water Services Trust | 435,062,480 | 0 | 435,062,480 | 0 |
| Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust | 2,247,888 | 0 | 2,247,888 | 0 |
| Threshold assets transfer - cost | 0 | (107,017) | 0 | (107,017) |
| Depreciation: Threshold assets transfer | 0 | 106,686 | 0 | 106,686 |
| Accumulated depreciation: Roodeplaat Temba Water Services trust | (89,588,139) | 0 | 0 | 0 |
| Depreciation - based on cost | (293,331,890) | (215,589,675) | (294,368,412) | (216,561,547) |
| **Carrying value of purification/transfers** | (39,924,063) | (970,021,409) | (39,924,063) | (970,021,409) |
| Cost | 0 | (966,379,735) | 0 | (966,591,869) |
| Transfer Asset under construction (AUC) to assets | (39,924,063) | | (39,924,063) | 0 |
| Restatement: Transfer asset classes - cost | 0 | 3,010,795 | 0 | 3,010,795 |
| Restatement: ICS Register - cost | 0 | 231,937 | 0 | 231,937 |
| Restatement: Transfer asset classes - depreciation | 0 | (424,924) | 0 | (424,924) |
| Restatement: ICS Register - depreciation | 0 | (9,042) | 0 | (9,042) |
| Restatement: zero value assets - depreciation correction | 0 | (8,063,915) | 0 | (8,063,915) |
| Accumulated depreciation | 0 | 1,613,475 | 0 | 1,825,609 |
| | - | - | | |
| **Carrying values at 30 June:** | 8,711,851,344 | 6,737,266,620 | 8,720,819,493 | 6,746,027,866 |
| Cost | 11,245,986,455 | 8,888,481,702 | 11,258,653,115 | 8,899,904,937 |
| Accumulated depreciation | (2,534,135,111) | (2,151,215,082) | (2,537,833,622) | (2,153,877,071) |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **10.2 COMMUNITY** | | | | |
| **Carrying value at 1 July** | 859,523,650 | 777,746,173 | 859,523,650 | 777,746,173 |
| Cost | 1,149,056,085 | 1,024,618,757 | 1,149,056,085 | 1,024,618,757 |
| Accumulated depreciation: Restatement - zero value assets | 0 | 9,424,591 | 0 | 9,424,591 |
| Accumulated depreciation | (289,532,435) | (256,297,175) | (289,532,435) | (256,297,175) |
| **Acquisitions** | 240,859,330 | 112,882,539 | 240,859,330 | 112,882,539 |
| Additions | 264,619,289 | 146,170,690 | 264,619,289 | 146,170,690 |
| Capital under construction | 19,848,542 | 8,353,798 | 19,848,542 | 8,353,798 |
| Transfer: Threshold assets - cost | 0 | (200,589) | 0 | (200,589) |
| Transfer: Threshold assets - depreciation | 0 | 10,446 | 0 | 10,446 |
| Depreciation - based on cost | (43,608,501) | (41,451,806) | (43,608,501) | (41,451,806) |
| **Carrying value of purification/transfers** | 26,484,153 | (31,105,062) | 26,484,153 | (31,105,062) |
| Cost | 0 | (29,901,839) | 0 | (29,901,839) |
| Transfer Asset under construction (AUC) to assets | 26,484,153 | 0 | 26,484,153 | 0 |
| Restatement: Transfer asset classes - cost | 0 | (10,334) | 0 | (10,334) |
| Restatement: ICS Register - cost | 0 | 25,602 | 0 | 25,602 |
| Restatement: Transfer asset classes - depreciation | 0 | 99,019 | 0 | 99,019 |
| Restatement: zero value assets - depreciation correction | 0 | (1,317,510) | 0 | (1,317,510) |
| **Carrying values at 30 June:** | 1,126,867,133 | 859,523,650 | 1,126,867,133 | 859,523,650 |
| Cost | 1,460,008,069 | 1,149,056,085 | 1,460,008,069 | 1,149,056,085 |
| Accumulated depreciation | (333,140,936) | (289,532,435) | (333,140,936) | (289,532,435) |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **10.3 HERITAGE** | | | | |
| **Carrying value at 1 July** | 3,695,147 | 3,733,422 | 3,695,147 | 3,733,422 |
| Cost | 3,814,388 | 3,813,988 | 3,814,388 | 3,813,988 |
| Accumulated depreciation | (119,241) | (80,566) | (119,241) | (80,566) |
| **Acquisitions** | (38,716) | (38,675) | (38,716) | (38,675) |
| Additions | 0 | 0 | 0 | 0 |
| Depreciation - based on cost | (38,716) | (38,675) | (38,716) | (38,675) |
| **Carrying value of purification/transfers** | 0 | 400 | 0 | 400 |
| Cost | 0 | 0 | 0 | 0 |
| Restatement: Fair market value assets - cost | 0 | 400 | 0 | 400 |
| Accumulated depreciation | 0 | 0 | 0 | 0 |
| **Carrying values at 30 June:** | 3,656,431 | 3,695,147 | 3,656,431 | 3,695,147 |
| Cost | 3,814,388 | 3,814,388 | 3,814,388 | 3,814,388 |
| Accumulated depreciation | (157,957) | (119,241) | (157,957) | (119,241) |
| **10.4 HOUSING** | | | | |
| **Carrying value at 1 July** | 184,570,006 | 201,740,869 | 184,570,006 | 201,740,869 |
| Cost | 184,626,436 | 234,965,906 | 184,626,436 | 234,965,906 |
| Accumulated depreciation: Restatement - zero value assets | 0 | 110,474 | 0 | 110,474 |
| Accumulated depreciation | (56,430) | (33,335,511) | (56,430) | (33,335,511) |
| **Acquisitions** | 35,955,311 | 84,530,648 | 35,955,311 | 84,530,648 |
| Additions | 36,040,717 | 81,746,559 | 36,040,717 | 81,746,559 |
| Capital under construction | 0 | 6,035,290 | 0 | 6,035,290 |
| Depreciation - based on cost | (85,406) | (3,251,201) | (85,406) | (3,251,201) |
| **Carrying value of purification/transfers** | (1,571,781) | (101,701,511) | (1,571,781) | (101,701,511) |
| Cost | 0 | (132,579,480) | 0 | (132,579,480) |
| Transfer Asset under construction (AUC) to assets | (1,571,781) | 0 | (1,571,781) | 0 |
| Restatement: Transfer asset classes - cost | 0 | (5,541,839) | 0 | (5,541,839) |
| Restatement: ICS Register - cost | 0 | 36,429,851 | 0 | 36,429,851 |
| Restatement: zero value assets - depreciation correction | 0 | (10,043) | 0 | (10,043) |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **Carrying values at 30 June:** | 218,953,536 | 184,570,006 | 218,953,536 | 184,570,006 |
| | Cost | 219,095,372 | 184,626,436 | 219,095,372 | 184,626,436 |
| | Accumulated depreciation | (141,836) | (56,430) | (141,836) | (56,430) |
| **10.5** | **STOCK** | | | | |
| | **Carrying value at 1 July** | 407,735 | 1,019,408 | 407,735 | 1,019,408 |
| | Cost | 407,735 | 1,142,732 | 407,735 | 1,142,732 |
| | Accumulated depreciation | 0 | (123,324) | 0 | (123,324) |
| | **Acquisitions** | 0 | 0 | 0 | 0 |
| | Additions | 0 | 0 | 0 | 0 |
| | Capital under construction | 0 | 0 | 0 | 0 |
| | Depreciation - based on cost | 0 | 0 | 0 | 0 |
| | **Carrying value of purification/transfers** | 0 | (611,673) | 0 | (611,673) |
| | Cost | 0 | 123,324 | 0 | 123,324 |
| | Accumulated depreciation - restatement | 0 | (734,997) | 0 | (734,997) |
| | **Carrying values at 30 June:** | 407,735 | 407,735 | 407,735 | 407,735 |
| | Cost | 407,735 | 407,735 | 407,735 | 407,735 |
| | Accumulated depreciation | 0 | 0 | 0 | 0 |
| **10.6** | **LAND** | | | | |
| | **Carrying value at 1 July** | 1,049,966,212 | 998,891,764 | 1,049,966,212 | 998,891,764 |
| | Cost | 1,049,966,212 | 1,140,397,933 | 1,049,966,212 | 1,140,397,933 |
| | Accumulated depreciation | 0 | (141,506,169) | 0 | (141,506,169) |
| | **Acquisitions** | 21,458,188 | 1,104,434 | 21,458,188 | 1,104,434 |
| | Additions | 21,458,188 | 1,104,434 | 21,458,188 | 1,104,434 |
| | Capital under construction | 0 | 0 | 0 | 0 |
| | Depreciation - based on cost | 0 | 0 | 0 | 0 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Carrying value of purification/transfers** | 0 | 49,970,014 | 0 | 49,970,014 |
| Cost | 0 | 0 | 0 | 0 |
| Restatement: Transfer asset classes - cost | 0 | (91,536,155) | 0 | (91,536,155) |
| Restatement: Transfer asset classes - depreciation | 0 | 158,704 | 0 | 158,704 |
| Accumulated depreciation - write back restatement | 0 | 141,347,465 | 0 | 141,347,465 |
| **Carrying values at 30 June:** | 1,071,424,400 | 1,049,966,212 | 1,071,424,400 | 1,049,966,212 |
| Cost | 1,071,424,400 | 1,049,966,212 | 1,071,424,400 | 1,049,966,212 |
| Accumulated depreciation | 0 | 0 | 0 | 0 |
| **10.7 BUILDINGS** | | | | |
| **Carrying value at 1 July** | 459,875,924 | 464,511,185 | 466,397,657 | 469,859,967 |
| Cost | 778,864,363 | 701,317,311 | 786,390,121 | 707,455,026 |
| Accumulated depreciation: Restatement - zero value assets | 0 | 47,370,104 | 0 | 47,370,104 |
| Accumulated depreciation | (318,988,439) | (284,176,230) | (319,992,464) | (284,965,163) |
| **Acquisitions** | 47,274,562 | 6,005,757 | 47,158,725 | 7,178,708 |
| Additions | 83,458,318 | 77,379,357 | 83,691,542 | 78,724,850 |
| Capital under construction | 0 | 0 | 0 | 0 |
| Depreciation - based on cost | (36,183,756) | (71,373,600) | (36,532,817) | (71,546,142) |
| **Carrying value of purification/transfers** | 16,341,709 | (10,641,018) | 16,341,709 | (10,641,018) |
| Cost | 0 | (67,846) | 0 | (25,296) |
| Transfer asset under construction (AUC) to assets | 16,341,709 | 0 | 16,341,709 | 0 |
| Restatement/Transfers: Asset classes - cost | 0 | 235,541 | 0 | 235,541 |
| Restatement/Transfers: Asset classes - accumulated depreciation | 0 | (19,493) | 0 | (19,493) |
| Restatement: zero value assets - depreciation corrections | 0 | (10,798,311) | 0 | (10,798,311) |
| Accumulated depreciation | 0 | 9,091 | 0 | (33,459) |
| **Carrying values at 30 June:** | 523,492,195 | 459,875,924 | 529,898,091 | 466,397,657 |
| Cost | 878,664,390 | 778,864,363 | 886,423,372 | 786,390,121 |
| Accumulated depreciation | (355,172,195) | (318,988,439) | (356,525,281) | (319,992,464) |
| **10.8 OTHER** | | | | |
| **Carrying value at 1 July** | 695,252,942 | 408,880,526 | 698,386,889 | 820,662,221 |
| Cost | 1,248,874,593 | 808,407,385 | 1,256,381,359 | 1,285,958,277 |
| Accumulated depreciation: Restatement - zero value assets | 0 | 201,361 | 0 | 201,361 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Accumulated Depreciation | (553,621,651) | (399,728,220) | (557,994,470) | (465,497,417) |
| **Acquisitions** | 385,429,067 | 9,184,029 | 384,946,395 | (20,668,709) |
| Additions | 150,963,101 | 67,356,442 | 151,928,127 | 74,599,765 |
| Additions: Capital under construction | 220,203,379 | 64,752,621 | 220,203,379 | 64,752,621 |
| Acquisitions: Roodeplaat Temba Water Services Trust | 37,732,103 | 0 | 37,732,103 | 0 |
| Accumulated depreciation: Roodeplaat Temba Water Services trust | (7,790,273) | 0 | (7,790,273) | 0 |
| Transfer: Threshold assets - cost | 0 | (8,493,291) | 0 | (8,493,291) |
| Transfer: Threshold assets - depreciation | 0 | 1,513,405 | 0 | 1,513,405 |
| Depreciation | (15,679,243) | (115,945,148) | (17,126,941) | (153,041,209) |
| **Carrying value of purification/transfers/disposals** | (78,548,908) | 277,188,387 | (78,629,596) | 276,087,760 |
| Cost | 0 | (63,108,790) | (72,569) | (64,772,943) |
| Transfer asset under construction (AUC) to assets | (50,035,394) | 0 | (50,035,394) | 0 |
| Additions: Fair market values for zero value assets | 3,720,450 | 0 | 3,720,450 | 0 |
| Restatement/Transfers: Asset classes - cost | 0 | 94,581,337 | 0 | 94,581,337 |
| Restatement: ICS Register - cost | 0 | 168,876,032 | 0 | 168,876,032 |
| Restatement: Dogs and horses -cost | 0 | 517,600 | 0 | 517,600 |
| Restatement: Fair market value assets - cost | 0 | 34,563,273 | 0 | 34,563,273 |
| Restatement: Rehabilitation provision assets | 0 | 81,421,984 | 0 | 81,421,984 |
| Restatement: Transfer asset classes - depreciation | 0 | (36,243,793) | 0 | (36,243,793) |
| Restatement: Prior year depreciation | 0 | 71,773 | 0 | 71,773 |
| Restatement: ICS Register - depreciation | 0 | (12,519,023) | 0 | (12,519,023) |
| Disposals - cost | (41,216,717) | 0 | (41,216,717) | 0 |
| Impairment - cost | (43,246,577) | 0 | (43,246,577) | 0 |
| Year end accrual - cost | (13,552,424) | 0 | (13,552,424) | 0 |
| Disposals - depreciation | 28,384,955 | 0 | 28,384,955 | 0 |
| Impairment - depreciation | 36,345,327 | 0 | 36,345,327 | 0 |
| Write-up: Depreciation | 1,445,787 | 0 | 1,445,787 | 0 |
| Non-current assets held for sale - cost | (1,552,635) | 0 | (1,552,635) | 0 |
| Non-current assets held for sale - depreciation | 1,158,320 | 0 | 1,158,320 | 0 |
| Restatement: zero value assets - depreciation correction | 0 | (33,345) | 0 | (33,345) |
| Accumulated depreciation | 0 | 9,061,339 | (8,119) | 9,624,865 |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **Carrying values at 30 June:** | 998,412,651 | 695,252,942 | 1,000,983,238 | 1,076,081,272 |
| | Cost | 1,508,169,429 | 1,248,874,593 | 1,516,568,652 | 1,732,004,655 |
| | Accumulated depreciation | (509,756,778) | (553,621,651) | (515,585,414) | (655,923,383) |
| 10.9 | **TOTAL PROPERTY, PLANT AND EQUIPMENT** | | | | |
| | **Carrying value at 1 July** | 9,990,558,237 | 8,263,958,444 | 10,009,005,524 | 8,689,406,921 |
| | Cost | 13,304,091,515 | 11,250,946,796 | 13,331,128,098 | 11,744,855,654 |
| | Accumulated depreciation: Restatement - zero value assets | 0 | 128,711,975 | 0 | 128,711,975 |
| | Accumulated Depreciation | (3,313,533,278) | (3,115,700,327) | (3,322,122,574) | (3,184,160,708) |
| | **Acquisitions** | 2,745,446,529 | 2,513,521,664 | 2,745,054,923 | 2,485,285,123 |
| | Additions | 1,691,474,797 | 2,249,992,654 | 1,693,916,472 | 2,259,996,588 |
| | Additions: Capital under construction | 1,065,235,185 | 718,349,475 | 1,065,235,185 | 718,349,475 |
| | Acquisitions: Roodeplaat Temba Water Services Trust | 472,794,583 | 0 | 472,794,583 | 0 |
| | Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust | 2,247,888 | 0 | 2,247,888 | 0 |
| | Accumulated depreciation: Roodeplaat Temba Water Services trust | (97,378,412) | 0 | (97,378,412) | 0 |
| | Transfer: Threshold assets - cost | 0 | (8,800,897) | 0 | (8,800,897) |
| | Transfer: Threshold assets - depreciation | 0 | 1,630,537 | 0 | 1,630,537 |
| | Depreciation | (388,927,512) | (447,650,105) | (391,760,793) | (485,890,580) |
| | **Carrying value of purification/transfers/disposals** | (77,218,887) | (786,921,869) | (77,299,575) | (788,022,496) |
| | Cost | 0 | (1,192,037,690) | (72,569) | (1,193,871,427) |
| | Additions: Fair market value - zero value assets | 3,720,450 | 0 | 3,720,450 | 0 |
| | Transfer asset under construction (AUC) to assets | (48,705,376) | 0 | (48,705,376) | 0 |
| | Restatement/Transfers: Asset classes - cost | 0 | 4,349 | 0 | 4,349 |
| | Restatement: ICS Register - cost | 0 | 169,133,571 | 0 | 169,133,571 |
| | Restatement: Dogs and horses -cost | 0 | 517,600 | 0 | 517,600 |
| | Restatement: Fair market value assets - cost | 0 | 34,563,673 | 0 | 34,563,673 |
| | Restatement: Rehabilitation provision assets | 0 | 81,421,984 | 0 | 81,421,984 |
| | Restatement: Transfer asset classes - depreciation | 0 | 142,912 | 0 | 142,912 |
| | Restatement: Prior year depreciation | 0 | (71,773) | 0 | (71,773) |
| | Restatement: ICS Register - depreciation | 0 | (12,528,065) | 0 | (12,528,065) |
| | Disposals - cost | (41,216,717) | 0 | (41,216,717) | 0 |
| | Impairment - cost | (43,246,577) | 0 | (43,246,577) | 0 |
| | Year end accrual - cost | (13,552,424) | 0 | (13,552,424) | 0 |
| | Disposals - depreciation | 28,384,958 | 0 | 28,384,958 | 0 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Impairment - depreciation | 36,345,327 | 0 | 36,345,327 | 0 |
| Write-up: Depreciation | 1,445,787 | 0 | 1,445,787 | 0 |
| Non-current assets held for sale - cost | (1,552,635) | 0 | (1,552,635) | 0 |
| Non-current assets held for sale - depreciation | 1,158,320 | 0 | 1,158,320 | 0 |
| Accumulated depreciation - cost write back restatement | | 141,470,789 | 0 | 141,470,789 |
| Restatement: zero value assets - depreciation correction | 0 | (20,223,124) | 0 | (20,223,124) |
| Accumulated depreciation | 0 | 10,683,905 | (8,119) | 11,417,015 |
| **Carrying values at 30 June:** | 12,655,065,429 | 9,990,558,238 | 12,673,040,422 | 10,386,669,547 |
| Cost | 16,387,570,239 | 13,304,091,515 | 16,416,975,928 | 13,806,170,570 |
| Accumulated depreciation | (3,732,504,810) | (3,313,533,276) | (3,743,935,506) | (3,419,501,022) |
| **10.10 INVESTMENT PROPERTY** | | | | |
| **Carrying value at 1 July** | 10,571,024 | 12,084,663 | 19,771,024 | 19,575,320 |
| Cost | 44,788,161 | 44,792,509 | 54,788,161 | 52,283,166 |
| Accumulated depreciation: Restatement - zero value assets | 0 | 133,898 | 0 | 133,898 |
| Accumulated depreciation | (34,217,137) | (32,841,744) | (34,217,137) | (32,841,744) |
| **Acquisitions** | (2,543,863) | (1,497,613) | (2,543,863) | (1,497,613) |
| Additions | 0 | 0 | 0 | 0 |
| Capital under construction | 0 | 0 | 0 | 0 |
| Depreciation | (2,543,863) | (1,497,613) | (2,543,863) | (1,497,613) |
| **Carrying value of purification/transfers/disposals** | 0 | (16,026) | 0 | 2,493,317 |
| Cost | 0 | 0 | 0 | 2,509,343 |
| Restatement/Transfers: Asset classes - cost | 0 | (4,348) | (400,000) | (4,348) |
| Restatement/Transfers: Asset classes - accumulated depreciation | 0 | 495 | (400,000) | 495 |
| Restatement: zero value assets - depreciation correction | 0 | (12,173) | 0 | (12,173) |
| **Carrying values at 30 June:** | 8,027,161 | 10,571,024 | 17,627,161 | 20,571,024 |
| Cost | 44,788,161 | 44,788,161 | 54,388,161 | 54,788,161 |
| Accumulated depreciation | (36,761,000) | (34,217,137) | (36,761,000) | (34,217,137) |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 10.11 | **INTANGIBLE ASSETS** | | | | |
| | **Carrying value at 1 July** | 98,035,113 | 95,359,784 | 98,038,353 | 95,359,784 |
| | Cost | 158,946,436 | 125,103,123 | 159,007,576 | 125,103,123 |
| | Accumulated depreciation | (60,911,323) | (29,743,339) | (60,969,223) | (29,743,339) |
| | **Acquisitions** | 9,450,261 | 2,675,188 | 9,448,641 | 2,663,953 |
| | Additions | 37,045,201 | 33,843,313 | 37,045,201 | 33,846,553 |
| | Capital under construction | 0 | 0 | 0 | 0 |
| | Depreciation | (27,594,940) | (31,168,125) | (27,596,560) | (31,182,600) |
| | **Carrying value of purification/transfers/disposals** | 48,705,375 | 141 | 48,705,375 | 72,516 |
| | Cost | 48,705,375 | 0 | 48,705,375 | 14,475 |
| | Restatement/Transfers: Asset classes - cost | 0 | 0 | 0 | 0 |
| | Restatement/Transfers: Asset classes - accumulated depreciation | 0 | 141 | 0 | 141 |
| | Accumulated depreciation | 0 | 0 | 0 | 57,900 |
| | **Carrying values at 30 June:** | 156,190,749 | 98,035,113 | 156,192,369 | 98,038,353 |
| | Cost | 244,697,012 | 158,946,436 | 244,758,152 | 159,007,576 |
| | Accumulated depreciation | (88,506,263) | (60,911,323) | (88,565,783) | (60,969,223) |
| 10.12 | **GRAND TOTAL** | | | | |
| | **Carrying value at 1 July** | 10,099,164,376 | 8,371,402,891 | 10,127,614,903 | 8,804,342,025 |
| | Cost | 13,507,826,112 | 11,420,842,428 | 13,544,923,835 | 11,922,241,943 |
| | Accumulated depreciation: Restatement - zero value assets | 0 | 128,845,873 | 0 | 128,845,873 |
| | Accumulated Depreciation | (3,408,661,736) | (3,178,285,410) | (3,417,308,932) | (3,246,745,791) |
| | **Acquisitions** | 2,752,352,924 | 2,514,699,239 | 2,751,959,698 | 2,486,451,463 |
| | Additions | 1,728,519,995 | 2,275,035,070 | 1,730,961,670 | 2,285,042,244 |
| | Additions: Capital under construction | 1,065,235,185 | 718,349,475 | 1,065,235,185 | 718,349,475 |
| | Acquisitions: Roodeplaat Temba Water Services Trust | 472,794,583 | 0 | 472,794,583 | 0 |
| | Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust | 2,247,888 | 0 | 2,247,888 | 0 |
| | Accumulated depreciation: Roodeplaat Temba Water Services trust | (97,378,412) | 0 | (97,378,412) | 0 |
| | Depreciation | (419,066,315) | (478,685,306) | (421,901,216) | (516,940,256) |
| | **Carrying value of purification/transfers/disposals** | (28,513,514) | (786,937,754) | (28,994,202) | (785,514,563) |
| | Cost | 0 | (1,192,037,690) | (72,569) | (1,191,304,184) |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Additions: Fair market value - zero value assets | 3,720,450 | 0 | 3,720,450 | 0 |
| Restatement/Transfers: Asset classes - cost | 0 | 0 | 0 | 0 |
| Restatement: ICS Register - cost | 0 | 169,133,572 | 0 | 169,133,572 |
| Restatement: Dogs and horses -cost | 0 | 517,600 | 0 | 517,600 |
| Restatement: Fair market value assets - cost | 0 | 34,563,673 | 0 | 34,563,673 |
| Restatement: Rehabilitation provision assets | 0 | 81,421,984 | 0 | 81,421,984 |
| Restatement: Transfer asset classes - depreciation | 0 | 143,548 | 0 | 143,548 |
| Restatement: Prior year depreciation | 0 | (71,773) | 0 | (71,773) |
| Restatement: ICS Register - depreciation | 0 | (12,528,065) | 0 | (12,528,065) |
| Disposals - cost | (41,216,717) | 0 | (41,216,717) | 0 |
| Impairment - cost | (43,246,577) | 0 | (43,246,577) | 0 |
| Year end accrual - cost | (13,552,424) | 0 | (13,552,424) | 0 |
| Disposals - depreciation | 28,384,955 | 0 | 28,384,955 | 0 |
| Impairment - depreciation | 36,345,327 | 0 | 36,345,327 | 0 |
| Write-up: Depreciation | 1,445,787 | 0 | 1,445,787 | 0 |
| Non-current assets held for sale - cost | (1,552,635) | 0 | (1,552,635) | 0 |
| Non-current assets held for sale - depreciation | 1,158,320 | 0 | 1,158,320 | 0 |
| Accumulated depreciation - cost write back restatement | 0 | 141,470,789 | 0 | 141,470,789 |
| Restatement: zero value assets - depreciation correction | 0 | (20,235,297) | 0 | (20,235,297) |
| Accumulated depreciation - cost | 0 | 10,683,905 | (408,119) | 11,373,590 |
| **Carrying values at 30 June:** | 12,823,003,786 | 10,099,164,373 | 12,850,580,399 | 10,255,197,557 |
| Cost | 16,677,055,410 | 13,507,826,109 | 16,716,522,239 | 14,019,966,304 |
| Accumulated depreciation - cost | (3,854,051,624) | (3,408,661,736) | (3,865,941,840) | (3,764,768,747) |

**Refer to Appendix B (for analysis per class) and Appendix C (for segmental analysis)**

**USEFUL LIVES**

The useful lives of the assets have been reviewed and adjusted to more accurately reflect the actual expected life spans of the assets within the City of Tshwane. In a majority of the cases, the lives of the items have been extended considerably as the City of Tshwane has embarked on a campaign to ensure that assets are not unnecessarily replaced and that those items in use are properly taken care of and safe guarded

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **IMPAIRMENT**<br>The City of Tshwane tested the assets falling under the property, plant and equipment category for impairment to ensure that the assets were reflected at a reasonable net book value. To do this, the following methodology was applied:<br>The assets were grouped into smaller categories and each item was given a fair market value of what the item would cost new as well as what the item would cost on the second hand market. This exercise was done by and external expert.<br>This value was then tested against the existing values of the assets. Where the net book value of the item exceeded the fair market value by a factor of 300% or more, these items were impaired to reflect the actual recoverable cost. | | | | |
| 10.13 | **LEASED ASSETS** | | | | |
| | **Carrying value at 1 July** | 247,780,561 | 197,234,792 | 247,780,561 | 212,108,487 |
| | Cost | 375,411,746 | 267,593,177 | 375,411,746 | 285,232,242 |
| | Accumulated depreciation - cost | (127,631,185) | (70,358,385) | (127,631,185) | (73,123,755) |
| | **Acquisitions** | 5,091,279 | 50,545,769 | 5,091,279 | 49,743,994 |
| | Additions | 12,671,545 | 107,818,569 | 12,671,545 | 107,818,569 |
| | Capital under construction | 0 | 0 | 0 | 0 |
| | Redemption: fully depreciated assets | 74,903,787 | | 74,903,787 | 0 |
| | Depreciation - based on cost | (82,484,053) | (57,272,800) | (82,484,053) | (58,074,575) |
| | **Carrying value of purification/transfers/disposals** | 0 | 0 | 0 | (308,104) |
| | Cost | 0 | 0 | 0 | 0 |
| | Accumulated depreciation - cost | 0 | 0 | 0 | (308,104) |
| | **Carrying values at 30 June:** | **252,871,839** | **247,780,561** | **252,871,839** | **261,544,379** |
| | Cost | 388,083,291 | 375,411,746 | 388,083,291 | 393,050,813 |
| | Accumulated depreciation -cost | (135,211,452) | (127,631,185) | (135,211,452) | (131,506,434) |
| 11 | **BIOLOGICAL ASSETS: LIVESTOCK** | | | | |
| | Carrying amount at the beginning of the year | 14,741,255 | 11,014,558 | 14,741,255 | 11,014,558 |
| | Gain: changes in fair value due to physical changes and price changes | 2,266,744 | 3,726,697 | 2,266,744 | 3,726,697 |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **Carrying amount at the end of the financial year** | **17,007,999** | **14,741,255** | 17,007,999 | 14,741,255 |
| | Biological assets are measured at their fair value less estimated point-of-sale-costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. | | | | |
| **12** | **NON-CURRENT ASSETS HELD FOR SALE** | | | | |
| | Other movable assets - cost | 1,552,635 | 0 | 1,552,635 | 0 |
| | Other movable assets - depreciation | (1,158,320) | 0 | (1,158,320) | 0 |
| | | **394,315** | **0** | **394,315** | **0** |
| | The above groups of assets (mostly vehicles, bicycles and other smaller movable assets) have been marked for disposal and are in the auction yard at 30 June 2009 | | | | |
| **13** | **INVESTMENTS** | | | | |
| **13.1** | **HELD-TO-MATURITY INVESTMENTS** | | | | |
| | **Unlisted:** | | | | |
| | Municipal stock | 3,033,002 | 3,033,002 | 3,033,002 | 3,033,002 |
| | | 3,033,002 | 3,033,002 | 3,033,002 | 3,033,002 |
| | **Financial instruments:** | | | | |
| | Fixed deposits | 491,311,097 | 416,767,411 | 493,822,236 | 423,625,129 |
| | Assurance companies | 6,002,276 | 5,752,656 | 6,002,276 | 5,752,656 |
| | | 497,313,373 | 422,520,067 | 499,824,512 | 429,377,785 |
| | **Total Held-to-Maturity Investments** | **500,346,375** | **425,553,069** | **502,857,514** | **432,410,787** |
| **13.2** | **AVAILABLE-FOR-SALE INVESTMENTS** | | | | |
| | Short-term deposits and Call deposits | 177,605,393 | 235,135,631 | 187,814,191 | 272,462,172 |
| | **TOTAL INVESTMENTS** | **677,951,768** | **660,688,700** | **690,671,705** | **704,872,959** |

| | DESCRIPTION | MUNICIPALITY 2009 R | MUNICIPALITY 2008 R | GROUP 2009 R | GROUP 2008 R |
|---|---|---|---|---|---|
| | **Market value of listed investments, and management's valuation of unlisted investments:** | | | | |
| | Unlisted investments | 677,951,767 | 660,688,700 | 690,671,705 | 704,872,959 |
| | No impairment occurred during the financial year | | | | |
| | Average rate of return on long-term investments: | 14.10% | 14.10% | 14.10% | 14.10% |
| | Average rate of return on short-term investments: | 10.44% | 10.43% | 10.44% | 10.43% |
| | The Municipal Financial Management Act, 2003 (Act 56 of 2003) requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty interest rate to meet commitments. | | | | |
| 14 | **LONG-TERM RECEIVABLES** | | | | |
| | Consumers: Arrangement debtors | 245,372,310 | 202,597,529 | 245,372,310 | 202,597,529 |
| | Housing loans | 57,556,328 | 59,092,140 | 57,556,328 | 59,092,140 |
| | Motor car loans | 173,915 | 2,161,952 | 173,915 | 2,161,952 |
| | Loans to Sports Clubs | 1,661,855 | 1,688,951 | 1,661,855 | 1,688,951 |
| | Study loans | 5,293 | 13,930 | 5,293 | 13,930 |
| | Sale of land | 79,405,336 | 65,779,894 | 79,405,336 | 65,779,894 |
| | | 384,175,037 | 331,334,396 | 384,175,037 | 331,334,396 |
| | Less: Current portion transferred to current receivables | 123,832,808 | 103,377,148 | 123,832,808 | 103,377,148 |
| | | **260,342,229** | **227,957,248** | **260,342,229** | **227,957,248** |
| | Less: Provision for bad debt: Housing loans | 23,420,606 | 38,194,441 | 23,420,606 | 38,194,441 |
| | Less: Impairment of 0% interest charged on arrangement debtors | 49,821,913 | | 49,821,913 | 0 |
| | **Total Long-term receivables (past due not impaired)** | **187,099,710** | **189,762,807** | **236,921,623** | **189,762,807** |
| | **RECONCILIATION OF BAD DEBT PROVISION** | | | | |
| | Balance at the beginning of the year | 38,194,441 | 36,202,047 | 38,194,441 | 36,202,047 |
| | Contributions to provision and impairment of 0% interest | 49,821,913 | 1,992,394 | 49,821,913 | 1,992,394 |
| | Write back of provision during the year | (14,773,835) | 0 | (14,773,835) | 0 |
| | **Balance at the end of the year** | **73,242,519** | **38,194,441** | **73,242,519** | **38,194,441** |
| | **CONSUMER: ARRANGEMENT DEBTORS** | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| A policy exists granting consumer debtors an opportunity to make arrangements to pay off their arrear debt over a certain period.<br>**HOUSING LOANS**<br><br>Housing loans are granted to qualifying individuals in terms of the Provincial Administration's Housing Programme. These loans attract interest of 13, 5% per annum and are repayable over periods of 20 and 30 years. These loans have various terms applicable.<br>**MOTOR CAR LOANS**<br><br>Senior staff were entitled to motor car loans which attract interest at 8, 5% per annum and which are repayable over a maximum period of six years. This practice has been terminated in terms of the MFMA and the last loan will be fully repaid in October 2009.<br>**LOANS TO SPORT CLUBS**<br><br>Sport Clubs that do qualify sign a 99 year lease hold agreement with the Municipality at a nominal amount and are provided with financial assistance from the Municipality to build or improve a facility of which the funds are repayable over a period and the Club has no claim to the improvements after the expiration of the lease hold agreement.<br><br>**STUDY LOANS**<br><br>Employees were entitled to interest free study loans which were repayable over a period of one year after the completion of their studies. This practice has been terminated in terms of the MFMA. The last payment cannot be determined at present as some of the employees are still studying.<br><br>Children of employees of the Municipality also qualified for study loans which attracted an interest rate applicable during the period of application as determined by the Municipality at the time of the application and the approval thereof. No more new study loans are issued by the Municipality.<br>**SALE OF LAND DEBTORS**<br><br>Vacant properties are sold through a process administered by Property Legal Services. Contracts are signed and advices for the opening of individual accounts, which indicates the amount of the deposit (10%) and VAT (14%) are issued. The contract stipulates from when interest is payable (immediately after signing the contract or after 12 months). The interest rate used is the Municipality's mortgage bond rate which currently is 11%. Interest is calculated monthly on the outstanding balance of the property. | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 15 | **INVENTORY** | | | | |
| | General stores | 187,088,025 | 195,290,338 | 205,666,699 | 211,606,629 |
| | Quarry | 872,549 | 812,232 | 872,549 | 812,232 |
| | Coal (power stations) | 49,779,922 | 16,287,079 | 49,779,922 | 16,287,079 |
| | Plants | 101,882 | 55,127 | 101,882 | 55,127 |
| | Catering (Premos restaurant) | 34,368 | 38,753 | 34,368 | 38,753 |
| | Wonderboom Airport | 918,239 | 958,464 | 918,239 | 958,464 |
| | Bulk water | 2,525,534 | 3,160,425 | 2,525,534 | 3,160,425 |
| | **Net Inventory** | **241,320,519** | **216,602,418** | **259,899,193** | **232,918,709** |
| 16 | **CONSUMER DEBTORS**<br>The City of Tshwane (parent) has a consolidated account billing system. The division of debtors per service category is done on a pro rata basis based on the levies. The provision for bad debt is therefore also not available per income group. | | | | |
| | Service debtors | 4,015,520,259 | 3,509,943,906 | 4,249,990,797 | 3,712,493,622 |
| | Rates | 1,029,144,952 | 873,945,477 | 1,029,137,853 | 873,930,315 |
| | Electricity | 1,679,844,699 | 1,420,106,081 | 1,679,792,477 | 1,420,017,104 |
| | Water | 838,395,135 | 767,648,642 | 1,072,924,994 | 970,302,497 |
| | Sewerage | 208,959,853 | 190,015,285 | 208,959,853 | 190,015,285 |
| | Refuse removal | 259,175,620 | 258,228,421 | 259,175,620 | 258,228,421 |
| | Less: Arrangement debtors | 245,372,310 | 202,597,529 | 245,372,310 | 202,597,529 |
| | | 3,770,147,949 | 3,307,346,377 | 4,004,618,487 | 3,509,896,093 |
| | Less: Provision for Bad debt | 1,102,727,977 | 914,443,852 | 1,318,609,336 | 1,108,845,887 |
| | **Consumer debtors per statement of financial position** | **2,667,419,972** | **2,392,902,525** | **2,686,009,151** | **2,401,050,206** |
| | An amount of R165 228 232 (R187 730 810 inclusive of VAT) was written off by the parent during 2008/09 (2007/08= R100 732 978) in terms of a Council Resolution dated 29 August 2002 whereby the Chief Financial Officer have delegated powers to write off amounts lower than R3 000 and a Council Resolution dated 31 March 2005 whereby the debt of indigent households are written off.<br>This amount written off represents 1.33% (2008: 0.99%) of the total operating income for the year. | | | | |
| | **Ageing: Total** | | | | |
| | Current (0 - 30 days) | 1,062,178,728 | 1,038,091,980 | 1,296,649,266 | 1,240,641,696 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| 31 - 60 days | 189,343,783 | 197,017,183 | 189,343,783 | 197,017,183 |
| 61 - 90 days | 110,956,911 | 101,991,952 | 110,956,911 | 101,991,952 |
| 91 + days | 2,653,040,837 | 2,172,842,791 | 2,653,040,837 | 2,172,842,791 |
| | **4,015,520,259** | **3,509,943,906** | **4,249,990,797** | **3,712,493,622** |
| **Rates: Ageing** | | | | |
| Current (0 - 30 days) | 293,273,775 | 331,493,536 | 293,266,676 | 331,478,374 |
| 31 - 60 days | 72,523,184 | 43,852,936 | 72,523,184 | 43,852,936 |
| 61 - 90 days | 35,296,422 | 30,332,616 | 35,296,422 | 30,332,616 |
| 91 + days | 628,051,572 | 468,266,389 | 628,051,572 | 468,266,389 |
| | **1,029,144,953** | **873,945,477** | **1,029,137,854** | **873,930,315** |
| **Electricity: Ageing** | | | | |
| Current (0 - 30 days) | 442,725,976 | 378,056,908 | 442,673,754 | 377,967,931 |
| 31 - 60 days | 121,578,451 | 133,732,668 | 121,578,451 | 133,732,668 |
| 61 - 90 days | 30,793,674 | 32,478,155 | 30,793,674 | 32,478,155 |
| 91 + days | 1,084,746,598 | 875,838,350 | 1,084,746,598 | 875,838,350 |
| | **1,679,844,699** | **1,420,106,081** | **1,679,792,477** | **1,420,017,104** |
| **Water: Ageing** | | | | |
| Current (0 - 30 days) | 161,462,923 | 169,801,796 | 395,992,782 | 372,455,651 |
| 31 - 60 days | 50,572,413 | 53,091,401 | 50,572,413 | 53,091,401 |
| 61 - 90 days | 20,772,038 | 20,609,103 | 20,772,038 | 20,609,103 |
| 91 + days | 605,587,761 | 524,146,342 | 605,587,761 | 524,146,342 |
| | **838,395,135** | **767,648,642** | **1,072,924,994** | **970,302,497** |
| **Sanitation: Ageing** | | | | |
| Current (0 - 30 days) | 40,505,604 | 42,146,336 | 40,505,604 | 42,146,336 |
| 31 - 60 days | 12,384,120 | 12,606,297 | 12,384,120 | 12,606,297 |
| 61 - 90 days | 4,703,221 | 4,438,100 | 4,703,221 | 4,438,100 |
| 91 + days | 151,366,908 | 130,824,552 | 151,366,908 | 130,824,552 |
| | **208,959,853** | **190,015,285** | **208,959,853** | **190,015,285** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **Solid Waste: Ageing** | | | | |
| | Current (0 - 30 days) | 27,720,561 | 46,798,851 | 27,720,561 | 46,798,851 |
| | 31 - 60 days | 14,304,273 | 10,505,708 | 14,304,273 | 10,505,708 |
| | 61 - 90 days | 6,485,533 | 5,771,804 | 6,485,533 | 5,771,804 |
| | 91 + days | 210,665,253 | 195,152,058 | 210,665,253 | 195,152,058 |
| | | **259,175,620** | **258,228,421** | **259,175,620** | **258,228,421** |
| | **Summary of consumer debtors by customer classification:** | | | | |
| | Household | 2,686,383,053 | 2,348,063,234 | 2,920,853,591 | 2,550,612,950 |
| | Industrial/Commercial | 762,948,849 | 666,940,567 | 762,948,849 | 666,940,567 |
| | National and Provincial Government | 56,217,284 | 49,142,989 | 56,217,284 | 49,142,989 |
| | Other | 509,971,073 | 445,797,116 | 509,971,073 | 445,797,116 |
| | **Total consumer debtors by customer classification** | **4,015,520,259** | **3,509,943,906** | **4,249,990,797** | **3,712,493,622** |
| | **RECONCILIATION OF BAD DEBT PROVISION** | | | | |
| | Balance at the beginning of the year | 914,443,852 | 881,557,955 | 1,108,845,887 | 1,025,420,794 |
| | Contributions to provision | 188,284,125 | 32,885,897 | 209,763,449 | 83,425,093 |
| | **Balance at the end of the year** | **1,102,727,977** | **914,443,852** | **1,318,609,336** | **1,108,845,887** |
| **17** | **OTHER DEBTORS** | | | | |
| | Housing debtors | 17,996,084 | 12,687,579 | 44,997,445 | 31,267,286 |
| | Government subsidies | 6,756,000 | 13,228,750 | 6,756,000 | 13,228,750 |
| | RSC levies debtor | 0 | 200,675,211 | 0 | 200,675,211 |
| | Amounts paid in advance | 0 | 0 | 0 | 14,873 |
| | Municipal Infrastructure Grant | 53,274,515 | 0 | 53,274,515 | 0 |
| | Gauteng Province: Housing Grants | 125,146,030 | 0 | 125,146,030 | 0 |
| | Other Current debtors | 534,567,481 | 312,924,481 | 552,602,557 | 335,256,197 |
| | | 737,740,110 | 539,516,021 | 782,776,547 | 580,442,317 |
| | Less: Provision for Bad debt | 32,724,885 | 246,003,159 | 47,220,043 | 260,915,197 |
| | **Total Other Debtors** | **705,015,225** | **293,512,862** | **735,556,504** | **319,527,120** |
| | **RECONCILIATION OF BAD DEBT PROVISION** | | | | |
| | Balance at the beginning of the year | 246,003,158 | 100,967,058 | 260,915,196 | 100,967,058 |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | Contributions to provision | 1 | 145,036,101 | 1 | 159,948,139 |
| | Write back of provision during the year | (213,278,274) | 0 | (213,695,154) | 0 |
| | **Balance at the end of the year** | **32,724,885** | **246,003,159** | **47,220,043** | **260,915,197** |
| **18** | **CALL INVESTMENT DEPOSITS** | | | | |
| | Other deposits/call investments | | | | |
| | Other deposits of R677 951 767 (2008 = R425 553 069) are ringfenced and attributable to the Capital replacement reserve of R361 254 474. Fixed deposits amounting to R598 458 250 (2008 =R568 644 654) have also been ringfenced for repaying long-term liabilities. **Refer to Note 33** | **598,458,250** | **568,644,654** | **598,458,250** | **568,644,654** |
| **19** | **BANK, CASH AND OVERDRAFT BALANCES** | | | | |
| | The Municipality (parent) has the following bank accounts:- | | | | |
| **19.1** | **Current Account (Primary Bank account)** | | | | |
| | STANDARD - Primary (Account 41 080 1453) | | | | |
| | STANDARD - Cashier deposit (Account 41 080 1569) | | | | |
| | STANDARD - Wonderboom Airport (Account 41 080 1674) | | | | |
| | STANDARD - Collection (Account 41 080 1658) | | | | |
| | STANDARD - 2010 (Account 410801682) | | | | |
| | Absa - Main (Account 4060 738 263) | | | | |
| | Absa - SAP collection (Account 4061 025 439) | | | | |
| | Absa - Old Main (Account 4053 381 912) | | | | |
| | Absa - GPMC Collection (Account 4048 828 191) | | | | |
| | Absa - Housing Collection (Account 4054 433 297) | | | | |
| | Absa - Wonderboom Airport (Account 4059 414 365) | | | | |
| | FNB Main - Pretoria Branch (Account 5142 0107 207) | | | | |
| | FNB - Pretoria Collection (Account 5142 0108 130) | | | | |
| | FNB - Centurion Collection (Account 6202 7802 869) | | | | |
| | FNB - Akasia Collection (Account 6202 7803 023) | | | | |
| | FNB - Housing Collection (Account 5142 1127 486) | | | | |
| | FNB - SAP Collection (Account 6207 4177 786) | | | | |
| | FNB - Traffic Collection (Account 6206 7460 586) | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Absa** | | | | |
| Cash book balance at the beginning of the year | 12,781,873 | 15,413,275 | 12,781,873 | 15,413,275 |
| Cash book balance at the end of the year | 13,433,453 | 12,781,873 | 13,433,453 | 12,781,873 |
| Bank statement balance at the beginning of the year | 37,657,228 | 17,907,552 | 37,657,228 | 17,907,552 |
| Bank statement balance at the end of the year | 13,339,211 | 37,657,228 | 13,339,211 | 37,657,228 |
| **FNB** | | | | |
| Cash book balance at the beginning of the year | 8,630,642 | (2,374) | 8,630,642 | (2,374) |
| Cash book balance at the end of the year | 14,707,560 | 8,630,642 | 14,707,560 | 8,630,642 |
| Bank statement balance at the beginning of the year | 9,594,524 | 10,499,069 | 9,594,524 | 10,499,069 |
| Bank statement balance at the end of the year | 14,684,609 | 9,594,524 | 14,684,609 | 9,594,524 |
| **STANDARD** | | | | |
| Cash book balance at the beginning of the year | (106,407,370) | (45,999,764) | (106,407,370) | (45,999,764) |
| Cash book balance at the end of the year - (overdrawn) | (95,416,694) | (106,407,370) | (95,416,694) | (106,407,370) |
| Bank statement balance at the beginning of the year | 11,907,106 | 38,863,430 | 11,907,106 | 38,863,430 |
| Bank statement balance at the end of the year | 34,003,014 | 11,907,106 | 34,003,014 | 11,907,106 |
| **STANDARD (2010 bank account - in use from 1 July 2008)** | | | | |
| Cash book balance at the beginning of the year | 0 | 0 | 0 | 0 |
| Cash book balance at the end of the year - (overdrawn) | 42,627,751 | 0 | 42,627,751 | 0 |
| Bank statement balance at the beginning of the year | 0 | 0 | 0 | 0 |
| Bank statement balance at the end of the year | 0 | 0 | 0 | 0 |
| **19.2 Insurance Contingency** | | | | |
| Absa (Account : 4062593950) | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Cash book balance at the beginning of the year | 7,449,875 | 41,285,499 | 7,449,875 | 41,285,499 |
| Cash book balance at the end of the year | 148,524 | 7,449,875 | 148,524 | 7,449,875 |
| Bank statement balance at the beginning of the year | 7,449,875 | 41,285,499 | 7,449,875 | 41,285,499 |
| Bank statement balance at the end of the year | 148,524 | 7,449,875 | 148,524 | 7,449,875 |
| **19.3 Tshwane Market (Primary account)** | | | | |
| First National Bank - Church Square Branch (Account : 51421161509) | | | | |
| Cash book balance at the beginning of the year | 14,111,226 | 12,408,157 | 14,111,226 | 12,408,157 |
| Cash book balance at the end of the year | 18,370,481 | 14,111,226 | 18,370,481 | 14,111,226 |
| Bank statement balance at the beginning of the year | 14,801,812 | 12,604,882 | 14,801,812 | 12,604,882 |
| Bank statement balance at the end of the year | 18,813,633 | 14,801,812 | 18,813,633 | 14,801,812 |
| **19.4 Petty cash/cashiers floats** | **272,825** | **262,077** | **282,547** | **270,993** |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| **19.5** | **BANK ACCOUNTS: MUNICIPAL ENTITIES** | | | | |
| **19.5.1** | **Roodeplaat/Temba Water Services Trust** | | | | |
| | **Absa - Current account (Account nr 4058159742)** | | | | |
| | Cash book balance at the beginning of the year | | | 0 | 36,772,659 |
| | Cash book balance at the end of the year | | | 0 | 27,932,978 |
| | Bank statement balance at the beginning of the year | | | 0 | 36,772,659 |
| | Bank statement balance at the end of the year | | | 0 | 27,932,978 |
| | **Absa - Deposit account - Roodeplaat (Account nr 4059250408)** | | | | |
| | Cash book balance at the beginning of the year | | | 0 | 13,150,214 |
| | Cash book balance at the end of the year | | | 0 | 0 |
| | Bank statement balance at the beginning of the year | | | 0 | 13,150,214 |
| | Bank statement balance at the end of the year | | | 0 | 0 |
| | **Absa - Debt Service Reserve account (Account nr 4058337269)** | | | | |
| | Cash book balance at the beginning of the year | | | 0 | 97,790,718 |
| | Cash book balance at the end of the year | | | 0 | 108,720,424 |
| | Bank statement balance at the beginning of the year | | | 0 | 97,790,718 |
| | Bank statement balance at the end of the year | | | 0 | 108,720,424 |
| | **Absa - Deposit account - Temba (Account nr 405832325)** | | | | |
| | Cash book balance at the beginning of the year | | | 0 | 5,624,184 |
| | Cash book balance at the end of the year | | | 0 | 0 |
| | Bank statement balance at the beginning of the year | | | 0 | 5,624,184 |
| | Bank statement balance at the end of the year | | | 0 | 0 |
| | **Absa - Operating Reserve account (Account nr 4058337073)** | | | | |
| | Cash book balance at the beginning of the year | | | 0 | 543,094 |
| | Cash book balance at the end of the year | | | 0 | 603,053 |
| | Bank statement balance at the beginning of the year | | | 0 | 543,094 |
| | Bank statement balance at the end of the year | | | 0 | 603,053 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Absa - Capital Reserve account (Account nr 4058337358)** | | | | |
| Cash book balance at the beginning of the year | | | 0 | 10,841,875 |
| Cash book balance at the end of the year | | | 0 | 12,052,595 |
| Bank statement balance at the beginning of the year | | | 0 | 10,841,875 |
| Bank statement balance at the end of the year | | | 0 | 12,052,595 |
| **19.5.2 Trade Point Pretoria** | | | | |
| **Absa - Current account (Account nr 4054625800)** | | | | |
| Cash book balance at the beginning of the year | | | 50,670 | 112,278 |
| Cash book balance at the end of the year | | | 58,749 | 50,670 |
| Bank statement balance at the beginning of the year | | | 50,413 | 176,645 |
| Bank statement balance at the end of the year | | | 58,749 | 50,413 |
| **19.5.3 Sandspruit Works Waste Water Treatment** | | | | |
| **Absa - Current account (Account nr 4051139634)** | | | | |
| Cash book balance at the beginning of the year | | | 482,713 | 7,030,146 |
| Cash book balance at the end of the year | | | 512,722 | 482,713 |
| Bank statement balance at the beginning of the year | | | 482,713 | 6,985,969 |
| Bank statement balance at the end of the year | | | 512,722 | 482,713 |
| **19.5.4 Sandspruit Works ODI Water** | | | | |
| **Standard Bank - Current account (Account nr 032250738000)** | | | | |
| Cash book balance at the beginning of the year | | | 9,771,497 | 5,672,412 |
| Cash book balance at the end of the year | | | 942,177 | 9,771,497 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Bank statement balance at the beginning of the year | | | 10,205,841 | 0 |
| Bank statement balance at the end of the year | | | 11,864,123 | 10,205,841 |
| **Standard Bank - Current account (Account nr 031906842000)** | | | | |
| Cash book balance at the beginning of the year | | | (271,149) | 44,588 |
| Cash book balance at the end of the year | | | 76,580 | (271,149) |
| Bank statement balance at the beginning of the year | | | 97,226 | 0 |
| Bank statement balance at the end of the year | | | 76,845 | 97,226 |
| **Standard Bank - Call account (Account nr 738717959001)** | | | | |
| Cash book balance at the beginning of the year | | | 8,685,895 | 5,923,714 |
| Cash book balance at the end of the year | | | 950,146 | 8,685,895 |
| Bank statement balance at the beginning of the year | | | 8,685,895 | 0 |
| Bank statement balance at the end of the year | | | 950,146 | 8,685,895 |
| **19.5.5 Civirelo Water** | | | | |
| **Absa - Current account (Accounts 4052561692 and 9078443130)** | | | | |
| Cash book balance at the beginning of the year | | | 2,084,786 | 4,252,125 |
| Cash book balance at the end of the year | | | 3,543,269 | 2,084,786 |
| Bank statement balance at the beginning of the year | | | 2,100,787 | 6,011,060 |
| Bank statement balance at the end of the year | | | 3,543,270 | 1,849,223 |
| **19.5.6 Housing Company Tshwane** | | | | |
| **Absa - Current account (Accounts 4057481879 and 4065722829)** | | | | |
| Cash book balance at the beginning of the year | | | 849,007 | 3,999,822 |
| Cash book balance at the end of the year | | | 139,691 | 849,007 |
| Bank statement balance at the beginning of the year | | | 787,871 | 3,709,294 |
| Bank statement balance at the end of the year | | | 787,871 | 787,871 |
| **19.5.7 Tshwane Centre for Business Information and Support** | | | | |
| **Absa - Current account (Account 4050437263)** | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | Cash book balance at the beginning of the year | | | 94,686 | 94,686 |
| | Cash book balance at the end of the year | | | 55,914 | 55,914 |
| | Bank statement balance at the beginning of the year | | | 71,884 | 71,884 |
| | Bank statement balance at the end of the year | | | 53,375 | 53,375 |
| **20** | **PROPERTY RATES** | | | | |
| | **Actual Income: Gross** | 3,159,872,402 | 2,185,065,026 | 3,159,771,459 | 2,184,999,728 |
| | Less: Income foregone | 860,248,454 | 0 | 860,248,454 | 0 |
| | **Net income** | **2,299,623,948** | **2,185,065,026** | **2,299,523,005** | **2,184,999,728** |
| | **Site Values as at 1 July:** | | | | |
| | Residential | 198,721,218,868 | 12,252,913,893 | 198,721,218,868 | 12,252,913,893 |
| | Other | 85,434,514,445 | 7,213,092,116 | 85,434,514,445 | 7,213,092,116 |
| | **Total property valuation** | **284,155,733,313** | **19,466,006,009** | **284,155,733,313** | **19,466,006,009** |
| | **The site value was changed to market value according to the MPRA that came into effect on 1 July 2008. The increase in valuation is because the full market value of a property is now the basis of levying rates and not the land value anymore. No differentiation is made between land value and improvement value and only market value appears on the valuation roll.** | | | | |
| | **Applicable tariff (with the implementation of the MPRA categories of properties are levied at different tariffs with different rebates applicable** | **Various** | **14.43c/rand** | | |
| | People of 60 years or older, and physically or mentally handicapped people who can substantiate receipt of a social pension, and people certified by the Medical Officer of Health as physically or mentally handicapped, can qualify for a rebate, subject to certain other conditions. | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| **21** | **SERVICE CHARGES** | | | | |
| | Sale of electricity | 3,666,606,519 | 3,034,977,097 | 3,666,240,829 | 3,033,671,453 |
| | Sale of water | 1,325,320,612 | 1,232,886,383 | 1,427,213,631 | 1,320,258,384 |
| | Refuse removal | 318,005,383 | 267,689,295 | 318,005,383 | 267,689,295 |
| | Sewerage and sanitation charges | 337,752,827 | 303,405,995 | 337,752,827 | 303,405,995 |
| | **Total service charges** | **5,647,685,341** | **4,838,958,770** | **5,749,212,670** | **4,925,025,127** |
| **22** | **GOVERNMENT GRANTS AND SUBSIDIES** | | | | |
| | Equitable share | 1,335,550,431 | 1,101,416,093 | 1,335,550,431 | 1,101,416,093 |
| | Housing: City of Tshwane Financial assistance | 0 | 0 | 0 | 0 |
| | Magalies Water | 0 | 0 | 0 | 0 |
| | Sandspruit: Department Water Affairs and Forestry | 0 | 0 | (944,965) | 2,273,220 |
| | Provincial Health subsidies | 22,554,360 | 22,669,000 | 22,554,360 | 22,669,000 |
| | Provincial Ambulance subsidy | 38,377,250 | 36,004,533 | 38,377,250 | 36,004,533 |
| | Provincial motor vehicle licences refund | 71,774,940 | 66,191,344 | 71,774,940 | 66,191,344 |
| | Opex: grants and donations | 97,020,907 | 28,560,545 | 97,020,907 | 28,560,545 |
| | Finance Management grant | 539,449 | 698,715 | 539,449 | 698,715 |
| | Restructuring grant | 45,679,594 | 52,227,861 | 45,679,594 | 52,227,861 |
| | Municipal Systems Infrastructure grant | 0 | 2,501,600 | 0 | 2,501,600 |
| | DWAF Grant (parent) | 13,169,188 | 13,962,645 | 13,169,188 | 13,962,645 |
| | Top structure grants | 0 | 125,601,978 | 0 | 125,601,978 |
| | Stipends (DBSA) | 54,000 | 0 | 54,000 | 0 |
| | Ntsika | 0 | 0 | 0 | 0 |
| | SEDA | 0 | 0 | 0 | 0 |
| | Subtotal: Opex Grants and subsidies | 1,624,720,119 | 1,449,834,314 | 1,623,775,154 | 1,452,107,534 |
| | Capex: grants and donations | 650,643,403 | 474,450,698 | 650,643,403 | 474,450,698 |
| | **Total Government grants and subsidies** | **2,275,363,522** | **1,924,285,012** | **2,274,418,557** | **1,926,558,232** |
| **22.1** | **Equitable share** | | | | |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy which is funded from this grant. | | | | |
| | **Total amount of equitable share received** | **1,335,550,431** | **1,101,416,093** | **1,335,550,431** | **1,101,416,093** |
| | **Monthly grant received by all registered indigents** | **173** | **148** | **173** | **148** |
| **22.2** | **Provincial Health Subsidies** | | | | |
| | Balance unspent at beginning of year | 0 | 0 | 0 | 0 |
| | Current year receipts - included in public health vote | 22,554,360 | 22,669,000 | 22,554,360 | 22,669,000 |
| | Conditions met - transferred to revenue | (22,554,360) | (22,669,000) | (22,554,360) | (22,669,000) |
| | **Conditions still to be met - transferred to liabilities (see note 8)** | **0** | **0** | **0** | **0** |
| | The Municipality renders health services on behalf of the Provincial Government This grant has been used exclusively to fund clinic services (included in the Social Development vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy. | | | | |
| | **Percentage of expenditure incurred refunded** | **15.25%** | **14.94%** | **15.25%** | **14.94%** |
| **22.3** | **Provincial Ambulance Subsidy** | | | | |
| | Balance unspent at beginning of year | 0 | 0 | 0 | 0 |
| | Current year receipts - included in emergency medical services vote | 38,377,250 | 36,004,533 | 38,377,250 | 36,004,533 |
| | Conditions met - transferred to revenue | (38,377,250) | (36,004,533) | (38,377,250) | (36,004,533) |
| | **Conditions still to be met - transferred to liabilities (see note 8)** | **0** | **0** | **0** | **0** |
| | The Municipality renders ambulance services on behalf of the provincial government and is reimbursed. This grant has been used exclusively to fund the rendering of ambulance services (included in the Emergency Medical Services vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy. | | | | |
| | **Percentage of expenditure incurred refunded** | **69.51%** | **64.08%** | **69.51%** | **64.08%** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **22.4 MIG** | | | | |
| Balance unspent at beginning of year | | | 0 | 0 |
| Transfers | 37,952,351 | 19,794,905 | 37,952,351 | 19,794,905 |
| Current year receipts | (2,960,564) | 0 | (2,960,564) | 0 |
| Conditions met - transferred to revenue | 286,876,515 | 236,438,749 | 286,876,515 | 236,438,749 |
| **Conditions still to be met - transferred to liabilities (see note 8)** | (287,295,988) | (218,281,303) | (287,295,988) | (218,281,303) |
| | **34,572,314** | **37,952,351** | **34,572,314** | **37,952,351** |
| This grant is used to construct roads and sewerage infrastructure as part of the capital expenditure (included in the roads and sewerage votes in Appendix B). No funds have been withheld. | | | | |
| **22.5 FINANCE MANAGEMENT GRANT** | | | | |
| Balance unspent at beginning of year | 1,304,687 | 1,503,403 | 1,304,687 | 1,503,403 |
| Current year receipts | 750,000 | 500,000 | 750,000 | 500,000 |
| Conditions met - transferred to revenue | (539,449) | (698,716) | (539,449) | (698,716) |
| **Conditions still to be met - transferred to liabilities (see note 8)** | **1,515,238** | **1,304,687** | **1,515,238** | **1,304,687** |
| This grant is funded by National Treasury to assist Local Government Pilot Municipalities with Financial Management and Budget Reforms, as part of the National Reform programme. No funds have been withheld. | | | | |
| **22.6 MUNICIPAL SYSTEM IMPROVEMENT GRANT** | | | | |
| Balance unspent at beginning of year | 498,400 | 3,000,000 | 498,400 | 3,000,000 |
| Current year receipts | 0 | 0 | 0 | 0 |
| Conditions met - transferred to revenue | 0 | (2,501,600) | 0 | (2,501,600) |
| **Conditions still to be met - transferred to liabilities (see note 8)** | **498,400** | **498,400** | **498,400** | **498,400** |
| This grant is used to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act of 2000. No funds have been withheld. | | | | |
| **22.7 RESTRUCTURING GRANT** | | | | |
| Balance unspent at beginning of year | 86,786,106 | 78,921,695 | 86,786,106 | 78,921,695 |
| Current year receipts | 0 | 150,000,000 | 0 | 150,000,000 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Conditions met - transferred to revenue | (45,679,594) | (142,135,589) | (45,679,594) | (142,135,589) |
| **Conditions still to be met - transferred to liabilities (see note 8)** | **41,106,512** | **86,786,106** | **41,106,512** | **86,786,106** |
| This grant is funded by National Treasury to assist Local Government Pilot Municipalities with Institutional, Financial and Economic restructuring in line with the City Development Strategy, which is aligned to the National Government's Development Strategy. No funds were withheld. | | | | |
| **22.8 DEPARTMENT OF WATER AFFAIRS AND FORESTRY** | | | | |
| Balance unspent at beginning of year | 4,827,178 | 22,391,328 | 4,827,178 | 22,391,328 |
| Transfers | (7,326,978) | 0 | (7,326,978) | 0 |
| Current year receipts | 20,251,750 | 21,092,500 | 20,251,750 | 21,092,500 |
| Conditions met - transferred to revenue | (15,419,290) | (38,656,650) | (15,419,290) | (38,656,650) |
| **Conditions still to be met - transferred to liabilities (see note 8)** | **2,332,660** | **4,827,178** | **2,332,660** | **4,827,178** |
| This grant was received for the supply of water services for community upliftment. | | | | |
| **22.9 PUBLIC TRANSPORT INFRASTRUCTURE SYSTEM GRANT** | | | | |
| Balance unspent at beginning of year | 115,762,425 | 0 | 115,762,425 | 0 |
| Current year receipts | 260,000,000 | 129,294,495 | 260,000,000 | 129,294,495 |
| Conditions met - transferred to revenue | (168,078,781) | (13,532,070) | (168,078,781) | (13,532,070) |
| **Conditions still to be met - transferred to liabilities (see note 8)** | **207,683,644** | **115,762,425** | **207,683,644** | **115,762,425** |
| This grant was received for infrastructure. in respect of roads and transport for the 2010 Soccer World Cup. R120 million was withheld due to under performance | | | | |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| **22.10** | **CITY OF TSHWANE METROPOLITAN MUNICIPALITY (HOUSING COMPANY)** | | | | |
| | Balance unspent at beginning of year | | | 0 | 0 |
| | Current year receipts | | | 8,357,791 | 117,439 |
| | Conditions met - transferred to revenue | | | (8,357,791) | (117,439) |
| | **Conditions still to be met - transferred to liabilities (see note 8)** | | | **0** | **0** |
| | This grant was received for the administration and operation of the Housing Company Tshwane as financial assistance. | | | | |
| **22.1** | **SANDSPRUIT: DEPARTMENT OF WATER AFFAIRS AND FORESTRY** | | | | |
| | Balance unspent at beginning of year | | | 0 | 0 |
| | Current year receipts | | | 10,774,749 | 2,273,220 |
| | Conditions met - transferred to revenue | | | (10,774,749) | (2,273,220) |
| | **Conditions still to be met - transferred to liabilities (see note 8)** | | | **0** | **0** |
| | This grant was received for the refurbishment at Klipgat and Temba Waste Water Treatment plants. | | | | |
| **22.1** | **Changes in levels of government grants** | | | | |
| | Based on the allocations set out in the Division of Revenue Act (Act 1 of 2007), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years. | | | | |
| **23** | **OTHER INCOME** | | | | |
| | Drain cleaning fees | 996,345 | 1,211,910 | 996,345 | 1,211,910 |
| | Reconnections fees | 101,284,390 | 64,805,089 | 101,284,390 | 64,805,089 |
| | Sewerage fees: Industrial effluent | 21,555,862 | 19,763,957 | 21,555,862 | 19,763,957 |
| | Interest on property sales | 4,902,337 | 5,107,253 | 4,902,337 | 5,107,253 |
| | Reminder fees | 15,284,440 | 9,400,900 | 15,284,440 | 9,400,900 |
| | Ambulance fees | 3,840,703 | 5,594,646 | 3,840,703 | 5,594,646 |
| | Airside income | 3,140,399 | 3,154,100 | 3,140,399 | 3,154,100 |
| | Connection fees: Urban areas | 5,874,720 | 8,164,438 | 5,874,720 | 8,164,438 |
| | Cemetery fees | 4,710,670 | 5,016,915 | 4,710,670 | 5,016,915 |
| | Fees for relaxation of building line | 1,270,805 | 1,641,185 | 1,270,805 | 1,641,185 |
| | Building plan fees | 25,166,701 | 34,139,148 | 25,166,701 | 34,139,148 |
| | Restaurant sales | 1,041,029 | 1,164,367 | 1,041,029 | 1,164,367 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Sundry fees | 4,549,985 | 4,517,334 | 4,549,985 | 4,517,334 |
| Sundry services | 11,022,117 | 12,659,014 | 11,022,117 | 12,659,014 |
| Income from grave services | 3,981,017 | 4,266,198 | 3,981,017 | 4,266,198 |
| Application fees | 2,663,426 | 3,927,229 | 2,663,426 | 3,927,229 |
| Connection fees | 11,075,821 | 16,220,728 | 11,075,821 | 16,220,728 |
| Approval fees: advertisements | 23,322,452 | 24,761,792 | 23,322,452 | 24,761,792 |
| Discounts on prompt payments | 9,171,594 | 14,195,991 | 9,171,594 | 14,195,991 |
| Market fees | 79,070,161 | 70,793,414 | 79,070,161 | 70,793,414 |
| Lodging fees | 1,178,102 | 1,145,624 | 1,178,102 | 1,145,624 |
| Parking fees: vehicles | 2,991,065 | 2,914,839 | 2,991,065 | 2,914,839 |
| Training fees recovered | 12,241,123 | 7,622,163 | 12,241,123 | 7,622,163 |
| Dumping fees | 11,957,349 | 13,995,089 | 11,957,349 | 13,995,089 |
| Income from bulk containers | 28,342,250 | 24,007,366 | 28,342,250 | 24,007,366 |
| Sale of livestock | 118,755 | 2,891 | 118,755 | 2,891 |
| Sale of stone | 7,529,846 | 6,685,746 | 7,529,846 | 6,685,746 |
| Sale of unusable stock | 5,188,978 | 3,953,857 | 5,188,978 | 3,953,857 |
| Sale of Aeroplane fuel | 30,361,934 | 29,155,543 | 30,361,934 | 29,155,543 |
| Transport fees | 55,762,681 | 45,956,506 | 55,762,681 | 45,956,506 |
| Capital income recovered insurance claims | 8,846,911 | 2,347,901 | 8,846,911 | 2,347,901 |
| Claims recovered compensation commissioner | 12,735,987 | 13,553,858 | 12,735,987 | 13,553,858 |
| Bad debt recovered | 34,953,204 | 23,248,755 | 34,953,204 | 23,248,755 |
| Land sales | 13,381,269 | 3,135,084 | 13,381,269 | 3,135,084 |
| Gain: Review useful life/fair value | 3,720,450 | 0 | 3,720,450 | 0 |
| Miscellaneous | 49,470,796 | 53,535,300 | 27,437,419 | 202,219,395 |
| **Total other income** | **612,705,674** | **541,766,130** | **590,672,297** | **690,450,225** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 24 | **EMPLOYEE RELATED COSTS** | | | | |
| | Salaries and wages | 1,920,131,319 | 1,672,674,723 | 1,972,874,001 | 1,717,065,536 |
| | Contributions to UIF, pensions and medical aids | 543,012,692 | 495,024,195 | 543,012,692 | 495,024,195 |
| | Overtime payments | 202,819,639 | 148,420,027 | 202,819,639 | 148,420,027 |
| | Long-service awards | 7,838,972 | 7,773,287 | 7,838,972 | 7,773,287 |
| | Travel allowance | 185,224,896 | 178,255,582 | 185,224,896 | 178,255,582 |
| | Housing benefits and allowance | 29,397,905 | 24,863,274 | 29,397,905 | 24,863,274 |
| | Performance bonus | 334,149 | 424,329 | 334,149 | 424,329 |
| | Other allowances | 120,351,733 | 93,567,426 | 120,351,733 | 93,567,426 |
| | **Total employee related cost** | **3,009,111,305** | **2,621,002,843** | **3,061,853,987** | **2,665,393,656** |
| | **REMUNERATION OF THE CITY MANAGER** | | | | |
| | (The performance bonus paid out in 2008/09 relates to 2006/07) | | | | |
| | Annual remuneration | 1,033,104 | 891,165 | 1,033,104 | 891,165 |
| | Performance bonuses | 17,636 | 0 | 17,636 | 0 |
| | Car allowance | 128,400 | 128,400 | 128,400 | 128,400 |
| | Cell phone allowance | 12,000 | 12,000 | 12,000 | 12,000 |
| | Medical and pension fund contributions | 0 | 0 | 0 | 0 |
| | **Total** | **1,191,140** | **1,031,565** | **1,191,140** | **1,031,565** |
| | **REMUNERATION OF THE CHIEF FINANCIAL OFFICER** | | | | |
| | Annual remuneration | 848,742 | 681,561 | 848,742 | 681,561 |
| | Performance bonuses | 0 | 0 | 0 | 0 |
| | Car allowance | 132,000 | 132,000 | 132,000 | 132,000 |
| | Cell phone allowance | 10,800 | 0 | 10,800 | 0 |
| | Medical and pension fund contributions | 18,510 | 20,316 | 18,510 | 20,316 |
| | **Total** | **1,010,052** | **833,877** | **1,010,052** | **833,877** |
| | **REMUNERATION OF STRATEGIC EXECUTIVE DIRECTORS** | | | | |
| | **Annual remuneration:** | | | | |
| | Technical services | 825,550 | 775,056 | 825,550 | 775,056 |
| | Corporate services | 2,947,710 | 2,610,872 | 2,947,710 | 2,610,872 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Community services | 4,870,670 | 2,255,382 | 4,870,670 | 2,255,382 |
| **Performance bonuses:** | | | | |
| Technical services | 171,113 | 0 | 171,113 | 0 |
| Corporate services | 109,817 | 0 | 109,817 | 0 |
| Community services | 0 | 0 | 0 | 0 |
| **Car allowance:** | | | | |
| Technical services | 102,000 | 90,000 | 102,000 | 90,000 |
| Corporate services | 588,000 | 484,000 | 588,000 | 484,000 |
| Community services | 514,800 | 253,914 | 514,800 | 253,914 |
| **Cell phone allowance** | | | | |
| Technical services | 9,600 | 9,600 | 9,600 | 9,600 |
| Corporate services | 30,000 | 21,600 | 30,000 | 21,600 |
| Community services | 62,400 | 56,000 | 62,400 | 56,000 |
| **Medical and pension fund contributions:** | | | | |
| Technical services | 24,878 | 0 | 24,878 | 0 |
| Corporate services | 18,510 | 20,316 | 18,510 | 20,316 |
| Community services | 201,097 | 38,272 | 201,097 | 38,272 |
| | **10,476,145** | **6,615,012** | **10,476,145** | **6,615,012** |
| **Total:** | | | | |
| Technical services | 1,133,141 | 874,656 | 1,133,141 | 874,656 |
| Corporate services | 3,694,037 | 3,136,788 | 3,694,037 | 3,136,788 |
| Community services | 5,648,967 | 2,603,568 | 5,648,967 | 2,603,568 |
| **Total remuneration of Strategic Executive Directors** | **10,476,145** | **6,615,012** | **10,476,145** | **6,615,012** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 25 | **REMUNERATION OF COUNCILLORS** | | | | |
| | Mayor's allowance | 28,721 | 370,044 | 28,721 | 370,044 |
| | Councillor's allowances | 35,393,170 | 27,806,355 | 35,393,170 | 27,806,355 |
| | Councillor's pension contributions | 3,655,173 | 2,931,804 | 3,655,173 | 2,931,804 |
| | Travelling allowance | 13,209,916 | 10,633,608 | 13,209,916 | 10,633,608 |
| | Councillor's medical contributions | 993,645 | 810,628 | 993,645 | 810,628 |
| | Councillor's housing allowances | 2,070,178 | 1,648,920 | 2,070,178 | 1,648,920 |
| | **Total remuneration of Councillors** | **55,350,803** | **44,201,359** | **55,350,803** | **44,201,359** |
| | **In-kind Benefits** | | | | |
| | The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Municipality. According to the organisational structure of the parent the Subsection Executive Mayor Protection has 7 staff members of which 5 are VIP protection officers. | | | | |
| 26 | **DEPRECIATION CHARGES** | | | | |
| | Depreciation: Property, plant and equipment | 400,806,612 | 511,275,793 | 403,641,510 | 550,332,518 |
| | Depreciation: Leased assets | 82,484,053 | 63,630,859 | 82,484,053 | 63,630,859 |
| | Depreciation: Rehabilitation assets | 16,813,874 | 0 | 16,813,874 | 0 |
| | **Total depreciation charges per Statement of Financial Performance** | **500,104,539** | **574,906,652** | **502,939,437** | **613,963,377** |
| | **Note: The depreciation per Appendix B includes the accumulated depreciation of Roodeplaat Temba Water Services Trust to the value of R97 378 412 and excludes the depreciation in respect of Leased assets to the value of R82 484 053.** | | | | |
| 27 | **INTEREST PAID** | | | | |
| | Long-term liabilities | 439,907,189 | 329,835,287 | 440,606,509 | 399,560,180 |
| | Leases | 36,594,289 | 29,131,466 | 36,594,289 | 29,131,466 |
| | Amortisation: provisions | 20,566,053 | 0 | 20,566,053 | 0 |
| | Bank overdrafts | 10,516,621 | 2,790,579 | 10,545,698 | 2,797,966 |
| | **Total Interest paid per Statement of Financial Performance** | **507,584,152** | **361,757,332** | **508,312,549** | **431,489,612** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 28 | **BULK PURCHASES** | | | | |
| | Electricity | 2,099,127,336 | 1,540,732,190 | 2,099,493,026 | 1,541,157,374 |
| | Water | 619,058,616 | 666,086,020 | 735,780,591 | 673,036,319 |
| | **Total Bulk Purchases per Statement of Financial Performance** | **2,718,185,952** | **2,206,818,210** | **2,835,273,617** | **2,214,193,693** |
| 29 | **GRANTS AND SUBSIDIES PAID** | | | | |
| | Grants-in-aid | 1,000,000 | 1,094,524 | 1,000,000 | 1,094,524 |
| | Grants-in-aid: Assessment rates | 8,833,837 | 10,490,155 | 8,833,837 | 10,490,155 |
| | **Total Grants and Subsidies Paid** | **9,833,837** | **11,584,679** | **9,833,837** | **11,584,679** |
| | The grant-in-aid is in respect of the funding of nonnongovernment organisations involved in empowerment programmes for the following vulnerable groups: youth, children, women, people with disabilities and the elderly. | | | | |
| | The Municipality has by way of majority decision awarded a grant-in-aid on the assessment rates of rateable properties on the classes referred to in Section 32A of the Local Authorities Rating Ordinance, 1977 (Ordinance 11 of 1977), after the owner of such property has applied to the Municipality in writing, for such grant-in-aid. | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | **GENERAL EXPENSES** | | | | |
| **30** | | | | | |
| | **Included in General expenses are the following amounts above R40 million** | | | | |
| | Project Linked Housing: Top structures | 135,002,463 | 125,601,978 | 135,002,463 | 125,601,978 |
| | Soccer World Cup 2010 related expenses | 75,386,212 | 12,141,402 | 75,386,212 | 12,141,402 |
| | Advertising and marketing | 57,956,449 | 10,967,005 | 57,956,449 | 10,967,005 |
| | Rental of property, plant and equipment | 189,633,002 | 158,269,883 | 189,633,002 | 158,269,883 |
| | Household refuse removal | 75,545,094 | 51,225,642 | 75,545,094 | 51,225,642 |
| | Electricity disconnections | 47,994,896 | 41,664,038 | 47,994,896 | 41,664,038 |
| | Service providers | 100,382,562 | 74,036,441 | 100,382,562 | 74,036,441 |
| | Insurance premiums and excesses | 96,718,227 | 50,992,065 | 96,718,227 | 50,992,065 |
| | Telecommunication | 51,513,464 | 67,798,767 | 51,513,464 | 67,798,767 |
| | Private sector labour | 56,910,704 | 89,007,286 | 56,910,704 | 89,007,286 |
| | Special projects | 57,954,081 | 57,324,522 | 57,954,081 | 57,324,522 |
| | Restructuring/Transformation | 47,334,342 | 53,088,532 | 47,334,342 | 53,088,532 |
| | Rental of property | 80,009,959 | 70,359,518 | 80,009,959 | 70,359,518 |
| | Watchmen services | 107,365,634 | 80,157,450 | 107,365,634 | 80,157,450 |
| | Implementation: OITPS | 42,286,005 | 43,965,459 | 42,286,005 | 43,965,459 |
| | Consultant fees | 49,726,108 | 30,712,841 | 49,726,108 | 30,712,841 |
| | Employment benefit provision expense | 165,303,000 | 838,893,000 | 165,303,000 | 838,893,000 |
| | Other (individual amounts below R40 million) | 1,091,279,306 | 901,327,180 | 991,790,405 | 1,012,118,958 |
| | **Total general expenses** | **2,528,301,508** | **2,757,533,009** | **2,428,812,607** | **2,868,324,787** |
| **31** | **CASH GENERATED BY OPERATIONS** | | | | |
| | Net surplus for the year | 720,410,440 | 338,977,001 | 700,738,737 | 295,360,547 |
| | **Adjustment for:-** | | | | |
| | Prior year adjustments | 0 | (19,652,442) | (4,307,537) | (18,416,182) |
| | Deferred operating lease liability: Roodeplaat Temba on disestablishment | 0 | 0 | (2,078,122) | |
| | Depreciation | 500,104,539 | 574,906,652 | 502,939,437 | 613,963,377 |
| | Asset impairment | 6,901,250 | 0 | 6,901,250 | 0 |
| | Depreciation corrections | 0 | 0 | 0 | 1,425,219 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| Gain on disposal of property, plant and equipment | (2,779,292) | (4,936,900) | (2,786,173) | (4,936,900) |
| Contribution to Provision for rehabilitation of quarries | 0 | 18,061,985 | 0 | 18,061,985 |
| Contribution to Provision for rehabilitation landfill sites | 0 | 63,360,000 | 0 | 63,360,000 |
| Contribution to Provision for Clearing up Alien Vegetation | 578,947 | 526,315 | 578,947 | 526,315 |
| Contribution to non-current provisions | 117,194,138 | 0 | 117,194,138 | 0 |
| Roodeplaat Temba accumulated depreciation | 97,378,452 | 0 | 0 | 0 |
| Employment benefit provision | 165,303,000 | 838,893,000 | 165,303,000 | 838,893,000 |
| Adjustment Cashbook balance: prior year Housing Company Tshwane | 0 | 0 | 0 | 0 |
| Contribution to bad debt provision | 188,284,125 | 179,914,389 | 209,763,449 | 237,195,408 |
| Contribution to bad debt provision - housing | (14,773,835) | 0 | (14,773,835) | 0 |
| Contribution to bad debt provision - other debtors | (163,456,360) | 0 | (163,873,240) | 0 |
| **Operating surplus before working capital changes:** | **1,615,145,404** | **1,990,050,002** | **1,515,600,051** | **2,045,432,769** |
| Decrease/(Increase) in inventories | (24,718,102) | (50,658,223) | (26,980,482) | (23,180,927) |
| (Increase)/decrease in consumer debtors | (462,801,572) | (381,401,725) | (479,883,593) | (437,463,478) |
| (Increase)/decrease in other debtors | (198,224,092) | (3,880,029) | (227,807,424) | (14,818,200) |
| (Increase)/decrease in non-current loans (long-term receivables) | (52,840,642) | 54,734,651 | (52,840,642) | 56,240,702 |
| (Decrease)/increase in conditional grants and receipts | 91,160,106 | 117,769,301 | 100,555,587 | 122,052,253 |
| Increase/(Decrease) in provisions | 0 | 0 | 134,980 | (1,536,192) |
| Increase/(decrease) in creditors | 901,227,374 | (64,654,388) | 904,886,253 | (118,928,013) |
| Increase/(decrease) in consumer deposits | 14,781,014 | 10,399,873 | 15,733,266 | 11,930,920 |
| Increase/ (Decrease) in VAT | 60,204,345 | 46,166,365 | 53,900,189 | 52,450,080 |
| **Cash generated from operations** | **1,943,933,835** | **1,718,525,827** | **1,803,298,185** | **1,692,179,914** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 32 | **CASH AND CASH EQUIVALENTS** | | | | |
| | Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position | | | | |
| | Bank balances and cash | 89,560,594 | 43,235,693 | 95,849,564 | 214,534,141 |
| | Call investment deposits | 177,605,393 | 235,135,631 | 187,814,191 | 272,462,172 |
| | Bank overdraft | (95,416,694) | (106,407,370) | (95,416,694) | (106,678,519) |
| | **Total cash and cash equivalents** | **171,749,293** | **171,963,954** | **188,247,061** | **380,317,794** |
| 33 | **UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION** | | | | |
| | Long-term liabilities (see Note 2) | 4,336,968,216 | 2,878,344,490 | 4,341,642,248 | 3,401,189,958 |
| | Used to finance property, plant and equipment - at cost | 5,832,746,578 | 3,474,287,272 | 5,832,746,578 | 3,474,287,272 |
| | Sub Total | (1,495,778,362) | (595,942,782) | (1,491,104,330) | (73,097,314) |
| | Cash set aside for the repayment of long-term liabilities | 598,458,250 | 568,644,654 | 598,458,250 | 568,644,654 |
| | **Cash invested for repayment of long-term liabilities (see Note 18)** | **(2,094,236,612)** | **(1,164,587,436)** | **(2,089,562,580)** | **(641,741,968)** |
| | Long-term liabilities have been used in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.<br>Included in the amount used to finance PPE (2009 = R5 832 746 578; 2008 = R3 474 287 272) is temporary advances (2009 = R1 148 180 881; 2008 = R761 199 084) which were temporarily financed out of revenue in expectation of the receipt of external loans over the year end. | | | | |
| 34 | **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT** | | | | |
| 34.1 | **Contributions to organised local government** | | | | |
| | Opening balance | 0 | 78,729 | 0 | 78,729 |
| | Council subscriptions | 1,341,856 | 1,006,419 | 1,341,856 | 1,006,419 |
| | Amount paid - current year | (1,341,856) | (1,006,419) | (1,341,856) | (1,006,419) |
| | Amount paid - previous years | 0 | (78,729) | 0 | (78,729) |
| | **Balance unpaid (included in creditors)** | **0** | **0** | **0** | **0** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **34.2 Audit fees** | | | | |
| Opening balance | 1,863,140 | 1,811,162 | 1,863,140 | 1,886,162 |
| Current year audit fee | 7,700,775 | 8,381,197 | 8,871,161 | 8,693,672 |
| Amount paid - current year | (7,700,775) | (6,518,057) | (8,871,161) | (6,830,532) |
| Amount paid - previous years | (1,863,140) | (1,811,162) | (1,863,140) | (1,886,162) |
| **Balance unpaid (included in creditors)** | **0** | **1,863,140** | **0** | **1,863,140** |
| The balance is with regard to the previous financial year and was paid in the next financial year. | | | | |
| **34.3 VAT** | | | | |
| VAT inputs receivables and VAT outputs receivables are shown in note 9 | | | | |
| All VAT returns have been submitted by the due date throughout the financial year. | | | | |
| **34.4 PAYE AND UIF** | | | | |
| Opening balance | 29,995,590 | 28,010,798 | 30,158,100 | 28,012,016 |
| Current year payroll deductions | 401,350,501 | 355,353,962 | 406,825,528 | 360,353,795 |
| Amount paid - current year | (367,602,339) | (325,358,372) | (372,686,901) | (330,195,695) |
| Amount paid - previous years | (29,995,590) | (28,010,795) | (30,158,100) | (28,012,013) |
| **Balance unpaid (included in creditors)** | **33,748,162** | **29,995,593** | **34,138,627** | **30,158,103** |
| **34.5 Pension and Medical aid deductions** | | | | |
| Opening balance | 0 | 0 | 0 | 0 |
| Current year payroll deductions and council contributions | 766,356,276 | 698,773,018 | 766,356,276 | 698,773,018 |
| Amount paid - current year | (766,356,276) | (698,773,018) | (766,356,276) | (698,773,018) |
| Amount paid - previous years | 0 | 0 | 0 | 0 |
| **Balance unpaid (included in creditors)** | **0** | **0** | **0** | **0** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **34.6** | | | | |
| **Councillor's arrear consumer accounts** | | | | |
| **Amounts outstanding for more than 90 days at year end:** | | | | |
| **COUNCILLORS WITHOUT PAYOFF ARRANGEMENTS:** | | | | |
| Blaauw M P | 624 | 0 | 624 | 0 |
| Buthelezi F K and N L E | 11,178 | 0 | 11,178 | 0 |
| Buthelezi M M | 0 | 59,636 | 0 | 59,636 |
| Dzumba K Y | 0 | 11,466 | 0 | 11,466 |
| Dichabe M M | 0 | 112 | 0 | 112 |
| Dlamini S S | 0 | 274 | 0 | 274 |
| Engelbrecht J | 668 | 0 | 668 | 0 |
| Hoseka N P | 0 | 2,882 | 0 | 2,882 |
| Huma S E | 0 | 1,546 | 0 | 1,546 |
| Kekana C | 227 | 0 | 227 | 0 |
| Kekana M H and M A | 2,657 | 0 | 2,657 | 0 |
| Ledwaba D C | 0 | 5,278 | 0 | 5,278 |
| Lehobye M J | 0 | 315 | 0 | 315 |
| Lesomo N A | 748 | 0 | 748 | 0 |
| Linde E | 0 | 921 | 0 | 921 |
| Majeng M J | 0 | 288 | 0 | 288 |
| Maluleka E M and H W | 0 | 1,295 | 0 | 1,295 |
| Mathekga C M | 9,778 | 0 | 9,778 | 0 |
| Moagi T S | 0 | 1,772 | 0 | 1,772 |
| Modumaela B E | 0 | 4,342 | 0 | 4,342 |
| Mogaladi M J | 0 | 103 | 0 | 103 |
| Morudi M S | 0 | 21,936 | 0 | 21,936 |
| Naiker S S | 0 | 1,144 | 0 | 1,144 |
| Nkwashu C S | 0 | 1,754 | 0 | 1,754 |
| Phala P M | 210 | 0 | 210 | 0 |
| Segabutla L O | 0 | 112 | 0 | 112 |
| Wannenberg D G | 635 | 0 | 635 | 0 |
| **Total** | **26,725** | **115,176** | **26,725** | **115,176** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **COUNCILLORS WITH PAYOFF ARRANGEMENTS:** | | | | |
| Buthelezi M M | 39,839 | 0 | 39,839 | 0 |
| Gumede K K and D F | 5,031 | 0 | 5,031 | 0 |
| Hoseka N P | 2,270 | 0 | 2,270 | 0 |
| Kgashane S | 17,447 | 0 | 17,447 | 0 |
| Ledwaba D C | 2,809 | 0 | 2,809 | 0 |
| Lepati M A | 0 | 9,276 | 0 | 9,276 |
| Mamabolo C S | 0 | 5,596 | 0 | 5,596 |
| Mogashoa B | 1,991 | 0 | 1,991 | 0 |
| Mokgalapa S and B P | 0 | 2,729 | 0 | 2,729 |
| Mthetwa D | 9,410 | 10,000 | 9,410 | 10,000 |
| Rambau T V | 2,492 | 4,900 | 2,492 | 4,900 |
| Seoketsa G | 36,953 | 30,914 | 36,953 | 30,914 |
| Swarts A P | 0 | 2,575 | 0 | 2,575 |
| Thipe J | 0 | 2,312 | 0 | 2,312 |
| Wannenburg B J | 4,401 | 0 | 4,401 | 0 |
| **Total** | **122,643** | **68,302** | **122,643** | **68,302** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **TOTAL AMOUNT OUTSTANDING:** | | | | |
| Blaauw M P | 624 | 0 | 624 | 0 |
| Buthelezi F K and N L E | 11,178 | 0 | 11,178 | 0 |
| Buthelezi M M | 39,839 | 59,636 | 39,839 | 59,636 |
| Dlamini S S | 0 | 274 | 0 | 274 |
| Dichabe M M | 0 | 112 | 0 | 112 |
| Dzumba K Y | 0 | 11,466 | 0 | 11,466 |
| Engelbrecht J | 668 | 0 | 668 | 0 |
| Gumede K K and D F | 5,031 | 0 | 5,031 | 0 |
| Hoseka N P | 2,270 | 2,882 | 2,270 | 2,882 |
| Huma S E | 0 | 1,546 | 0 | 1,546 |
| Kekana C | 227 | 0 | 227 | 0 |
| Kekana M H and M A | 2,657 | 0 | 2,657 | 0 |
| Kgashane S | 17,447 | 0 | 17,447 | 0 |
| Ledwaba D C | 2,809 | 5,278 | 2,809 | 5,278 |
| Lehobye M J | 0 | 315 | 0 | 315 |
| Lepati M A | 0 | 9,276 | 0 | 9,276 |
| Lesomo N A | 748 | 0 | 748 | 0 |
| Linde E | 0 | 921 | 0 | 921 |
| Majeng M J | 0 | 288 | 0 | 288 |
| Maluleka E M and H W | 0 | 1,295 | 0 | 1,295 |
| Mathekga C M | 9,778 | 0 | 9,778 | 0 |
| Moagi T S | 0 | 1,772 | 0 | 1,772 |
| Modumaela B E | 0 | 4,342 | 0 | 4,342 |
| Mogaladi M J | 0 | 103 | 0 | 103 |
| Mogashoa B | 1,991 | 0 | 1,991 | 0 |
| Morudi M S | 0 | 21,936 | 0 | 21,936 |
| Mamabolo C S | 0 | 5,596 | 0 | 5,596 |
| Mokgalapa S and B P | 0 | 2,729 | 0 | 2,729 |
| Mthewa D | 9,410 | 10,000 | 9,410 | 10,000 |
| Naiker S S | 0 | 1,144 | 0 | 1,144 |
| Nkwashu C T | 0 | 1,754 | 0 | 1,754 |
| Phala P M | 210 | 0 | 210 | 0 |
| Rambau T V | 2,492 | 4,900 | 2,492 | 4,900 |
| Ramokgopa K D | 0 | 112 | 0 | 112 |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | Seoketsa G | 36,953 | 0 | 36,953 | 0 |
| | Seoketsa G | 0 | 30,914 | 0 | 30,914 |
| | Swarts A P | 0 | 2,575 | 0 | 2,575 |
| | Thipe J | 0 | 2,312 | 0 | 2,312 |
| | Wannenberg D G | 635 | 0 | 635 | 0 |
| | Wannenburg B J | 4,401 | 0 | 4,401 | 0 |
| | **Total arrear councillor consumer accounts** | **149,368** | **183,478** | **149,368** | **183,478** |
| **34.7** | **Non-compliance with applicable legislation (MFMA)** | | | | |
| **34.7.1** | **Section 74(1)** | | | | |
| | The Municipality failed to submit electronic and signed returns on Conditional Grants spending for the period ended 30 June 2009 within the timeframes of the act. Furthermore, the Municipality also did not sign off on the verification of the Section 71 Report for the period ended 30 June 2009 within the timeframe of the act. | | | | |
| **34.7.2** | **Section 167** | | | | |
| | The provision of housing for the Executive Mayor does not fall within the framework of the Public Office-Bearers Act | | | | |
| **34.7.3** | **Section 65(e)** | | | | |
| | All invoices are not paid within 30 days as required by section 65(e), although an accrual is done at year end to rectify this transgression | | | | |
| **34.7.4** | **Section 126(2)** | | | | |
| | No financial statements were submitted to the Office of the Auditor-General by Tshwane Centre for Business Information and Support (CENBIS) a municipal entity of the City of Tshwane. A Council resolution was taken on 25 November 2004 to wind up this entity. The entity has been dormant since 2007. | | | | |
| **34.7.5** | **Section 62 and 95** | | | | |
| | The Municipality did not have an effective risk management policy and framework as required. The risk committee was not established during the financial year under review. This resulted in adequate measures not being in place to adequately identify, assess and manage these risks to ensure that it is mitigated. | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 35 | **CAPITAL COMMITMENTS** | | | | |
| | **Commitments in respect of capital expenditure (budgeted amounts next financial year):** | | | | |
| | **- Approved and contracted for** | 3,460,300,014 | 2,489,482,188 | 3,460,300,014 | 2,489,482,188 |
| | Infrastructure | 2,905,065,110 | 2,015,657,358 | 2,905,065,110 | 2,015,657,358 |
| | Community | 152,790,000 | 253,603,000 | 152,790,000 | 253,603,000 |
| | Other | 211,344,904 | 147,150,000 | 211,344,904 | 147,150,000 |
| | Housing | 191,100,000 | 73,071,830 | 191,100,000 | 73,071,830 |
| | **- Approved but not contracted for** | 87,208,100 | 672,282,990 | 87,208,100 | 672,282,990 |
| | Infrastructure | 62,727,200 | 454,306,800 | 62,727,200 | 454,306,800 |
| | Community | 17,980,900 | 22,045,400 | 17,980,900 | 22,045,400 |
| | Other | 6,500,000 | 175,930,790 | 6,500,000 | 175,930,790 |
| | Investment property | 0 | 0 | 0 | 0 |
| | Housing | 0 | 20,000,000 | 0 | 20,000,000 |
| | | **3,547,508,114** | **3,161,765,178** | **3,547,508,114** | **3,161,765,178** |
| | **This expenditure will be financed from:** | | | | |
| | - Council Own Funding (External loans and/or Capital replacement reserve) | 2,158,620,900 | 2,138,968,400 | 2,158,620,900 | 2,138,968,400 |
| | - Capital replacement reserve | 38,469,778 | 61,315,790 | 38,469,778 | 61,315,790 |
| | - Provincial grants | 6,825,126 | 26,070,000 | 6,825,126 | 26,070,000 |
| | - Government Housing | 255,481,230 | 84,321,988 | 255,481,230 | 84,321,988 |
| | - PTIS | 693,254,080 | 501,654,000 | 693,254,080 | 501,654,000 |
| | - MIG | 342,079,000 | 288,935,000 | 342,079,000 | 288,935,000 |
| | - National Electrification Fund | 52,778,000 | 60,500,000 | 52,778,000 | 60,500,000 |
| | | **3,547,508,114** | **3,161,765,178** | **3,547,508,114** | **3,161,765,178** |
| 36 | **RETIREMENT BENEFIT INFORMATION** | | | | |
| 36.1 | **PENSION FUNDS** | | | | |
| | Most employees of the Municipality are members of one of the following funds and those who are not, are paid a lump-sum gratuity at retirement age. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements. | | | | |
| 36.1.1 | **DEFINED CONTRIBUTION PLANS (AS CLASSIFIED BY THE RELEVANT FUND):** | | | | |
| | **The Municipality contributes to the following defined contribution plans, which are governed by the Pension Fund Act of 1956. The total contributions are included under Employee related costs, Note 24)** | 292,671,010 | 263,505,343 | 292,671,010 | 263,505,343 |
| | **Tshwane Municipal Provident Fund**. 2 584 (21,92%) of the Municipality's employees are members of this fund. | 99,739,562 | 87,684,898 | 99,739,562 | 87,684,898 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Pension Fund for Municipal Councillors:** The Councillors of the City of Tshwane Metropolitan Municipality are members of this fund. 105 (0,89%) of the Municipality's employees are members of this fund. | 6,894,592 | 5,531,174 | 6,894,592 | 5,531,174 |
| **National Fund for Municipal Workers**. 3 318 (28,14%) of the Municipality's employees are members of this fund. | 155,494,094 | 143,286,240 | 155,494,094 | 143,286,240 |
| **SALA Provident Fund.** 89 (0,76%) of the Municipality's employees are members of this fund. | 1,028,986 | 990,670 | 1,028,986 | 990,670 |
| **Samwu National Pension Fund**. 18 (0,15%) of the Municipality's employees are members of this fund. | 604,816 | 72,175 | 604,816 | 72,175 |
| **Samwu National Provident Fund**. 1001 (8,49%) of the Municipality's employees are members of this fund. | 27,543,006 | 24,610,448 | 27,543,006 | 24,610,448 |
| **Germiston Municipal Retirement Fund.** 1 (0,00%) of the Municipality's employees are members of this fund. | 50,683 | 63,513 | 50,683 | 63,513 |
| **Meshawu National Local Authorities Retirement Fund**. 56 (0, 47%) of the Municipality's employees are members of this fund. | 1,315,271 | 1,266,225 | 1,315,271 | 1,266,225 |
| **36.1.2 DEFINED BENEFIT PLANS (AS CLASSIFIED BY THE RELEVANT FUNDS):** **TSHWANE MUNICIPAL PENSION FUND** | | | | |
| The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100%. 401 (3, 40%) of the Municipality's employees are members of this fund. | | | | |
| **Included in general expenses are:-** | | | | |
| Current service cost | 24,410,000 | 24,338,000 | 24,410,000 | 24,338,000 |
| Interest cost | 81,379,000 | 54,774,000 | 81,379,000 | 54,774,000 |
| Expected return on assets | (70,947,000) | (54,645,000) | (70,947,000) | (54,645,000) |
| Recognised Net (Gain)/Loss | 95,968,000 | 74,846,000 | 95,968,000 | 74,846,000 |
| **Defined benefit expense** | **130,810,000** | **99,313,000** | **130,810,000** | **99,313,000** |
| **Post-employment benefit liability (funded status)** | | | | |
| Present value of the obligation | (770,600,000) | (740,349,000) | (770,600,000) | (740,349,000) |
| Fair value of plan assets | 521,099,000 | 605,706,000 | 521,099,000 | 605,706,000 |
| Recognised actuarial gains | 0 | 0 | 0 | 0 |
| Recognised past service cost | 0 | 0 | 0 | 0 |
| **Liability recognised in statement of financial position** | **(249,501,000)** | **(134,643,000)** | **(249,501,000)** | **(134,643,000)** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Reconciliation of defined benefit obligation:** | | | | |
| Present value of obligation at beginning of year | 740,349,000 | 616,031,000 | 740,349,000 | 616,031,000 |
| Interest cost | 81,379,000 | 54,774,000 | 81,379,000 | 54,774,000 |
| Current service cost | 24,410,000 | 24,338,000 | 24,410,000 | 24,338,000 |
| Member contributions | 6,367,000 | 5,992,000 | 6,367,000 | 5,992,000 |
| Risk premiums | (2,086,000) | (1,963,000) | (2,086,000) | (1,963,000) |
| Benefits paid | (24,044,000) | 0 | (24,044,000) | 0 |
| Actuarial (gain)/loss on obligation | (55,775,000) | 41,177,000 | (55,775,000) | 41,177,000 |
| **Present value of obligation at end of year** | **770,600,000** | **740,349,000** | **770,600,000** | **740,349,000** |
| **Reconciliation of plan assets (None of the Municipality's own financial instruments or property are included in the fair value of plan assets)** | | | | |
| Fair value of plan assets at beginning of year | 605,706,000 | 565,687,000 | 605,706,000 | 565,687,000 |
| Expected return on plan assets | 70,947,000 | 54,645,000 | 70,947,000 | 54,645,000 |
| Contributions | 22,319,000 | 21,006,000 | 22,319,000 | 21,006,000 |
| Risk premiums | (2,086,000) | (1,963,000) | (2,086,000) | (1,963,000) |
| Benefits paid | (24,044,000) | 0 | (24,044,000) | 0 |
| Actuarial (gain)/loss on obligation | (151,743,000) | (33,669,000) | (151,743,000) | (33,669,000) |
| **Fair value of plan assets at end of year** | **521,099,000** | **605,706,000** | **521,099,000** | **605,706,000** |
| **Composition of plan assets:** | | | | |
| Cash | 13.71% | 10.17% | 13.71% | 10.17% |
| Equity | 52.98% | 58.12% | 52.98% | 58.12% |
| Bonds | 20.60% | 15.94% | 20.60% | 15.94% |
| Property | 0.08% | 0,00% | 0.08% | 0,00% |
| Other | 0,00% | 0,00% | 0,00% | 0,00% |
| International | 12.63% | 15.77% | 12.63% | 15.77% |
| **Total** | **100,00%** | **100,00%** | **100,00%** | **100,00%** |
| **Actual return on plan assets** | **80,796,000** | **20,976,000** | **80,796,000** | **20,976,000** |
| **Estimated contributions to be paid to the Tshwane Pension fund in the next financial period** | **21,650,000** | **20,233,000** | **21,650,000** | **20,233,000** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **MUNICIPAL GRATUITY FUND** | | | | |
| Actuarial valuations are carried out every two years. 1 413 (11.98%) of the Municipality's employees are members of this fund. No specific plan assets are set aside for the Gratuity Fund | | | | |
| **Included in general expenses are:-** | | | | |
| Current service cost | 3,005,000 | 2,830,000 | 3,005,000 | 2,830,000 |
| Interest cost | 9,171,000 | 6,467,000 | 9,171,000 | 6,467,000 |
| Expected return on assets | 0 | 0 | 0 | 0 |
| Recognised Net (Gain)/Loss | (2,345,000) | (240,000) | (2,345,000) | (240,000) |
| **Defined benefit expense** | **9,831,000** | **9,057,000** | **9,831,000** | **9,057,000** |
| **Post-employment benefit liability (funded status)** | | | | |
| Present value of the obligation | (82,304,000) | (73,247,000) | (82,304,000) | (73,247,000) |
| Net (expense)/income recognised in Statement of financial performance | (9,831,000) | (9,057,000) | (9,831,000) | (9,057,000) |
| Recognised actuarial gains | 0 | 0 | 0 | 0 |
| Unrecognised past service cost | 0 | 0 | 0 | 0 |
| **Liability recognised in statement of financial position** | **(92,135,000)** | **(82,304,000)** | **(92,135,000)** | **(82,304,000)** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Reconciliation of defined benefit obligation:** | | | | |
| Present value of obligation at beginning of year | 82,304,000 | 73,247,000 | 82,304,000 | 73,247,000 |
| Interest cost | 9,171,000 | 6,467,000 | 9,171,000 | 6,467,000 |
| Current service cost | 3,005,000 | 2,830,000 | 3,005,000 | 2,830,000 |
| Benefits paid | 0 | 0 | 0 | 0 |
| Actuarial (gain)/loss on obligation | (2,345,000) | (240,000) | (2,345,000) | (240,000) |
| **Present value of obligation at end of year** | **92,135,000** | **82,304,000** | **92,135,000** | **82,304,000** |
| **Estimated benefit payments to be paid. in respect of Gratuities in the next financial period** | **16,557,000** | **0** | **16,557,000** | **0** |
| **36.1.3 MULTI-EMPLOYER FUNDS** | | | | |
| **The Municipality contributes to the following defined benefit plans, which are governed by the Pension Fund Act of 1956. The total contributions are included under Employee remuneration, Note 24). Owing to the nature of these funds, the lack of information and the fact that assets are not specifically associated to meet the obligations in respect of individual employers, these funds are accounted for as defined contribution funds in terms of paragraph 30 of IAS 19. The total contributions are included in Employee related costs, Note 24)** | **78,936,187** | **76,322,514** | **78,936,187** | **76,322,514** |
| **SALA Pension Fund**. The actuarial valuation is carried annually since 1 July 1998. The actuarial valuation performed on 1 July 2004 showed an unfunded liability of R516, 62 million (81.9% funding level). The Municipality's employees make up approximately 5.4% of the total membership and therefore the Municipality's possible liability with regard to the unfunded liability is calculated at R28 104 128. 911 (7.73%) of the Municipality's employees are members of this fund. | 26,961,721 | 25,698,482 | 26,961,721 | 25,698,482 |
| **The Government Employees Pension Fund**. Actuarial valuations are performed every three years. The actuarial valuation performed on 31 March 2004 reported the fund to be in a sound financial position with a funding level of 96.5%. 14 (0.12%) of the Municipality's employees are members of this fund. | 347,995 | 5,042,778 | 347,995 | 5,042,778 |
| **Joint Municipal Pension Fund**. Actuarial valuations are performed every three years. The actuarial valuation performed on 31 December 2005 reported a funding level of 97.7% resulting in a shortfall of R44,237 million. The Municipality's employees make up approximately 1.78% of the total membership. The Municipality's possible liability with regard to unfunded benefits is calculated to be R4 737 363. 54 (0.45%) of the Municipality's employees are members of this fund. | 3,175,481 | 3,171,218 | 3,175,481 | 3,171,218 |
| **Municipal Employees Pension Fund.** The actuarial valuation performed on 28 February 2005 reported the fund to be in a sound financial position with a funding level of 106.9%. 1 823 (15.46%) of the Municipality's employees | 48,450,990 | 42,410,036 | 48,450,990 | 42,410,036 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| are members of this fund. | | | | |
| **36.2 MEDICAL AID FUNDS** | | | | |
| **Included in general expenses are:-** | | | | |
| Current service cost | 14,321,000 | 13,078,000 | 14,321,000 | 13,078,000 |
| Interest cost | 57,523,000 | 54,012,000 | 57,523,000 | 54,012,000 |
| Expected Employer Benefit Payments | (31,230,000) | (28,917,000) | (31,230,000) | (28,917,000) |
| Recognised Net (Gain)/Loss | 0 | 0 | 0 | 0 |
| **Defined benefit expense** | **40,614,000** | **38,173,000** | **40,614,000** | **38,173,000** |
| **Post-employment benefit liability (funded status)** | | | | |
| Present value of the unfunded obligation | (621,946,000) | (583,773,000) | (621,946,000) | (583,773,000) |
| Recognised actuarial gains | (40,614,000) | (38,173,000) | (40,614,000) | (38,173,000) |
| Unrecognised past service cost | 0 | 0 | 0 | 0 |
| **Liability recognised in statement of financial position** | **(662,560,000)** | **(621,946,000)** | **(662,560,000)** | **(621,946,000)** |
| **Reconciliation of defined benefit obligation:** | | | | |
| Present value of unfunded obligation at beginning of year | 621,946,000 | 583,773,000 | 621,946,000 | 583,773,000 |
| Interest cost | 57,523,000 | 54,012,000 | 57,523,000 | 54,012,000 |
| Current service cost | 14,321,000 | 13,078,000 | 14,321,000 | 13,078,000 |
| Employer contributions | (31,230,000) | (28,917,000) | (31,230,000) | (28,917,000) |
| **Present value of obligation at end of year** | **662,560,000** | **621,946,000** | **662,560,000** | **621,946,000** |
| **Actuarial (gains)/losses recognised in other comprehensive income:** | | | | |
| Tshwane Pension Fund | 95,968,000 | 74,846,000 | 95,968,000 | 74,846,000 |
| Gratuities | (2,345,000) | (240,000) | (2,345,000) | (240,000) |
| Medical aid funds | 0 | 0 | 0 | 0 |
| **Total amount of actuarial (gains)/losses recognised** | **93,623,000** | **74,606,000** | **93,623,000** | **74,606,000** |
| **Estimated employer benefit payments to be paid. in respect of Medical aid funds in the next financial period** | **33,729,000** | **31,230,000** | **33,729,000** | **31,230,000** |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Sensitivity Results** | | | | |
| The effect of an increase and decrease of one percentage point in the assumed medical cost trend rates on is the following: | | | | |
| **Subsidy Increase rate:** | | | | |
| Accrued liability 30 June | 662,560,000 | 621,946,000 | 662,560,000 | 621,946,000 |
| Decrease of 1% | 596,537,000 | 562,936,000 | 596,537,000 | 562,936,000 |
| % change | (10.0%) | (9.5 %0 | (10.0%) | (9.5 %0 |
| Increase of 1% | 740,047,000 | 691,204,000 | 740,047,000 | 691,204,000 |
| % change | 11.7% | 0 | 11.7% | 0 |
| **Discount rate:** | | | | |
| Accrued liability 30 June | 662,560,000 | 621,946,000 | 662,560,000 | 621,946,000 |
| Decrease of 1% | 782,494,000 | 728,054,000 | 596,537,000 | 728,054,000 |
| % change | 18.1% | 0 | (10.0%) | 0 |
| Increase of 1% | 569,843,000 | 539,778,000 | 740,047,000 | 539,778,000 |
| % change | (14.0%) | (13.2%) | 11.7% | (13.2%) |
| **36.3 ACTUARIAL ASSUMPTIONS** | | | | |
| A summary of the assumptions used in the valuation, together with a short description on each is given below: | | | | |
| **36.3.1 Economic assumptions (pension fund and gratuities):** | | | | |
| Discount rate | 9.50% | 10.75% | 9.50% | 10.75% |
| Inflation rate | 6,00% | 8,00% | 6,00% | 8,00% |
| Salary Increase rate | 7,00% | 9,00% | 7,00% | 9,00% |
| Expected rate of return on assets | 10.25% | 11.75% | 10.25% | 11.75% |
| Pension increase allowance | 5.54% | 6.75% | 5.54% | 6.75% |
| Health Care Cost Inflation | 8,00% | 8,00% | 8,00% | 8,00% |
| **Discount rate (pension fund and gratuities):** | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| The rate to discount post-employment benefit obligations should be determined by reference to market yields at the date of the statement of financial position on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. In our opinion, there is no deep market in Corporate bonds in South Africa and as such we have set our recommended assumption with reference to the yield on South African Government Bonds of medium duration. This converts into an effective yield of 9.50% as at 30 June 2009. In terms of the accounting standards, historical yields are less important and we consequently consider it appropriate to use the discount rate 9.50% per annum. | | | | |
| **Inflation rate (pension fund and gratuities):**<br>While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (cpi) to be 6,00% per annum. This assumption has been based on the relationship between current conventional bond yields and current index-linked bond yields. This assumption is in line with the SA Government's Monetary Policy target of 3% to 6% per annum.<br><br>**Salary increase:**<br>We have assumed that the level of salary increased to be awarded in the long term will, on average be equal to inflation plus 1% (pension funds) and 1.50% (gratuities) plus a merit increase based on the age-related table below:<br>**Age** **Merit Increase**<br><br>20 13,5%<br>25 9%<br><br>30 5,5%<br><br>35 3%<br>40 1,5%<br><br>45 1%<br><br>**Expected return on assets:**<br>The Fund's expected long-term return is a function of the expected long-term returns on equities, cash and bonds. In setting these assumptions we made use of the asset spot as at 30 June 2009. The expected long-term rate of return on bonds was set at the same level as the discount rate. This implies a yield on government bonds of 9.50% per annum. The expected long-term rate of return on equities was set at a level of 3% above the bond rate, while the expected long-term rate of return on cash was set at a level of 2% below the bond rate. Adjustments were made to reflect the effect of expenses.<br><br>**Pension rate increase:**<br>We have made use of a post-retirement discount rate of 3.75% per annum which drives the pension increase policy of the Trustees. This implies a pension increase rate of 5.54% per annum. | | | | |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **Health Care Cost Inflation:**<br>We have assumed that the current contribution table(s) of the medical scheme(s) would continue to apply in the future, with allowance for inflationary increases of 8,00% per annum. We have assumed that health care cost inflation exceeds CPI inflation by an average of 2,00% per annum over the long-term. | | | | |

| DESCRIPTION | | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| **37** | **CONTINGENT LIABILITIES** | | | | |
| **37.1** | **HOUSING LOANS** | | | | |
| | Guarantees for housing loans to employees at financial institutions. | 1,815,627 | 2,023,797 | 1,815,627 | 2,023,797 |
| | With the implementation of the MFMA no new guarantees are issued, the liability will therefore decrease in future. The property is used as collateral in cases of default on payments. | | | | |
| **37.2** | **INDEMNIFICATION** | | | | |
| | Value of investments ceded to the Workmen's Compensation Commissioner in compliance with the requirements of the Compensation for Occupational Injuries and Diseases Act, 1993. | 41,303,607 | 32,996,015 | 41,303,607 | 32,996,015 |
| | The capitalised value as at 31 December as calculated by the Department of Labour amounted to | 41,303,607 | 32,996,015 | 41,303,607 | 32,996,015 |
| | Consistent with prior years the amendment to the cession will be addressed in the following financial year | | | | |
| **37.3** | **INSURANCE CLAIMS** | | | | |
| | Pending claims against the Municipality in respect of vehicle accidents and Public Liabilities which originated before 30 June. | 66,342,062 | 57,139,428 | 67,904,121 | 58,525,718 |
| | The payment of claims against the City of Tshwane is provided for in the Self Insurance Reserve, which has a balance of R190,686 million (2007/08 = R228,951 million) | | | | |
| | Civirelo Water has an unresolved legal matter to the value of R500 000. The Municipal Entity's attorneys are still in mediation with the plaintiff's attorneys. It was agreed to enter in a mediation process. | | | | |
| **37.4** | **RETIREMENT OF REDUNDANT EMPLOYEES** | | | | |
| | The retirement of redundant employees resulted in the following estimated long term liabilities (these liabilities are budgeted for annually): | | | | |
| | *Pension fund contribution with regard to all employees who received packages and who qualify for a monthly pension up to the approved age of retirement. | 52,309,000 | 63,603,000 | 52,309,000 | 63,603,000 |
| | *Sick fund contribution payable to Pretmed with regard to all employees who received packages and who are deemed to be full members of the fund up to the approved age of retirement. | 46,719,000 | 46,102,000 | 46,719,000 | 46,102,000 |
| **37.5** | **GUARANTEES** | | | | |
| | Guarantees issued in favour of Eskom | 213,500 | 213,500 | 213,500 | 213,500 |
| **38** | **IN-KIND DONATIONS AND ASSISTANCE** | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | The Municipality received the following in-kind donations and assistance | | | | |
| | **Description:** Secondment of two (2) representatives from SAICA | | | | |
| **39** | **EVENTS AFTER THE REPORTING PERIOD** | | | | |
| | **No material events occurred with respect to the 2008/09 financial year since year end and the date of the Statement of financial position** | | | | |
| **39.1** | **External loans** | | | | |
| | DBSA: Loan at 11.315% over 20 years | | 200,000,000 | | 200,000,000 |
| | DBSA: Loan at 6.25% over 20 years | None | 50,000,000 | None | 50,000,000 |
| | Total | | 250,000,000 | | 250,000,000 |
| **39.2** | **Investments** | | | | |
| | Absa Call investment @ 11.55% | | 49,000,000 | | 49,000,000 |
| | Investec Call investment @ 11.50% | | 49,000,000 | | 49,000,000 |
| | Nedcor Call investment @ 11.65% | | 49,000,000 | | 49,000,000 |
| | RMB Call investment @ 11.50% to 11,00% | | 49,000,000 | None | 49,000,000 |
| | Stanlib call investment in respect of Contingency Insurance Fund | | 169,020,600 | | 169,020,600 |
| | | | 365,020,600 | | 365,020,600 |
| **39.3** | **Short-term loan** | | | | |
| | Absa short-term loan @ 13.85% | None | 84,000,000 | None | 84,000,000 |
| **39.4** | **Roodeplaat/Temba Water Services Trust (RTWST)** | | | | |
| | Loans taken over from 1 July 2008 with the disestablishment of the trust | Not applicable | 518,067,525 | Not applicable | 518,067,525 |
| **40** | **COMPARISON WITH THE BUDGET** | | | | |
| | The comparison of the actual financial performance with that budgeted is set out in Appendices E, F and G | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 41 | **DIRECTORS EMOLUMENTS** | | | | |
| 41.1 | **Municipal Entities** | | | | |
| | Paid by company for services as directors | | | 2,092,208 | 2,094,162 |
| 42 | **RELATED PARTY DISCLOSURES** | | | | |
| | **Parent**<br>The following municipal entities were under the control of the former/disestablished municipalities. The City of Tshwane Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor in law principle.<br>**Transactions between related parties are as follows:** | | | | |
| 42.1 | **Civirelo Water:** | | | | |
| | Gauteng Housing via City of Tshwane (General expenses) | 28,917,630 | 975,800 | 28,917,630 | 975,800 |
| | Creditors | 11,637,757 | 20,000 | 11,637,757 | 20,000 |
| 42.2 | **Housing Company Tshwane:** | | | | |
| | Sundry debtors (un-paid reimbursement budgeted amounts) | 0 | 128,604 | 0 | 128,604 |
| | Received Electricity and Water sales and rates and taxes | 466,633 | 490,482 | 466,633 | 490,482 |
| | Paid General Expenses | 8,357,791 | 117,439 | 8,357,791 | 117,439 |
| | Sundry creditors (i.r.o. water, electricity and rates) | 59,321 | 104,339 | 59,321 | 104,339 |
| 42.3 | **Roodeplaat Temba Water Services Trust:** | | | | |
| | Paid Water (water sales to City of Tshwane) | | 101,413,208 | | 101,413,208 |
| | Beneficiary distribution | | 0 | | 0 |
| | Interest - finance lease | | 3,283,804 | | 3,283,804 |
| | Lease charges | | 704,630 | | 704,630 |
| | Accounts receivable | | 14,120,965 | | 14,120,965 |
| | Accounts payable | | 0 | | 0 |
| | Deferred operating lease liabilities | | 2,078,122 | | 2,078,122 |
| | Finance lease liabilities<br>**This entity was disestablished on 30 June 2008. All transactions, assets and liabilities were taken over by City of Tshwane on 1 July 2008. A summary of the transactions is as follows:** | | 25,976,434 | | 25,976,434 |
| | External loans | (518,067,525) | | (518,067,525) | |
| | Interest received | (3,847,947) | | (3,847,947) | |
| | Property, plant and equipment - Accumulated depreciation | (97,378,452) | | (97,378,452) | |
| | Interest repayment external loans | (13,064) | | (13,064) | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | Sundry debtor | 14,873 | | 14,873 | |
| | Cash/bank balance | 167,251,450 | | 167,251,450 | |
| | Property, plant and equipment - Cost | 475,042,472 | | 475,042,472 | |
| | Bank charges | 1,098 | | 1,098 | |
| | **Gain on disestablishment (refer to Statement of Financial Performance)** | **23,002,905** | | **23,002,905** | |
| **42.4** | **Sandspruit Works Association:** | | | | |
| | Outstanding payments. in respect of water and electricity/authority billing | 796,501 | 0 | 796,501 | 0 |
| | Water purchases from City of Tshwane | 214,011 | 88,009 | 214,011 | 88,009 |
| | Subsidy received from City of Tshwane | 35,278,819 | 29,650,262 | 35,278,819 | 29,650,262 |
| | DWAF subsidy (creditor) | 811,205 | 0 | 811,205 | 0 |
| | DWAF subsidy paid to Sandspruit (ODI) (creditor) | 11,719,714 | 0 | 11,719,714 | 0 |
| | Paid Water/Sales to City of Tshwane | 133,284,870 | 113,534,868 | 133,284,870 | 113,534,868 |
| | Waste water (creditor) | 5,346,128 | 0 | 5,346,128 | 0 |
| | Sanitation operational deficit (debtor) | 47,000,805 | 34,675,380 | 47,000,805 | 34,675,380 |
| | Operating loss account (creditor) | 15,507,901 | 3,001,199 | 15,507,901 | 3,001,199 |
| **42.5** | **Trade Point Pretoria: No related party transactions occurred** | **Under liquidation** | **Under liquidation** | **Under liquidation** | **Under liquidation** |
| **42.6** | **Tshwane Centre for Business Information and Support (Cenbis) No related party transactions occurred** | **Under liquidation** | **Under liquidation** | **Under liquidation** | **Under liquidation** |
| **43** | **PRIOR YEAR ADJUSTMENTS (Refer to Statement of Changes of Parent)** | | | | |
| **43.1** | **Expenditure of the 2006/07 financial year was restated in respect of:** | | | | |
| | Reclassification of operating leases to finance leases (first time accounting for leases and restating retrospectively) | | (99,848,247) | | (99,848,247) |
| | Write back of interest on long-term debtors (as a result of in-duplum rule) | | 35,821,377 | | 35,821,377 |
| | Prepaid electricity sales. in respect of 2006/07 posted in 2007/08 | | (9,872,540) | | (9,872,540) |
| | Depreciation of leased assets (first time accounting for leases and restating retrospectively) | | 70,358,385 | | 70,358,385 |
| | Interest on lease liabilities (first time accounting for leases and restating retrospectively) | | 37,082,548 | | 37,082,548 |
| | Restatement of threshold assets (net of depreciation and reversal of expense to assets) | | (7,170,357) | | (7,170,357) |
| | Municipal entities: audit adjustments | | 0 | | 3,776,566 |
| | **Total prior year adjustment. in respect of 2006/07** | | **26,371,166** | | **30,147,732** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 43.2 | **Restatement of Statement of financial position of 2006/07** | | | | |
| | Accounting for lease assets (brought in for first time in 2007/08 but restated 2006/07) | | **261,396,192** | | **261,396,192** |
| 43.3 | **Restatement of expenditure. in respect of 2007/08 during 2008/09** | | | | |
| | Grant expenditure (expenditure of 2008/09 accrued incorrectly in 2007/08) | (5,280) | | (5,280) | |
| | Depreciation: ICS register brought in on asset register (ICS Register was formerly not part of Fixed Asset Register) | 12,283,419 | | 12,283,419 | |
| | Assets brought in at fair value (assets found during verification process which were not on asset register) | (35,081,273) | | (35,081,273) | |
| | ICS Register brought in on asset register - Cost (ICS Register was formerly not part of Fixed Asset Register) | (169,133,571) | | (169,133,571) | |
| | Interest on leases (correction of calculation error during 2007/08) | (392,339) | | (392,339) | |
| | Depreciation: Zero value assets (correction) | 20,235,296 | | 20,235,296 | |
| 43.4 | **Restatement of revenue. in respect of 2007/08 during 2008/09** | | | | |
| | Grant revenue recognised (various grant revenue recognised in 2007/08 which related to 2008/09) | (6,131,900) | | (6,131,900) | |
| | Ambulance subsidy (accrual done in 2007/08 was too high) | (925,250) | | (925,250) | |
| | Property rates revenue | 4,047,335 | | 4,047,335 | |
| | Revenue i.r.o. rezoning | 55,806,593 | | 55,806,593 | |
| 43.5 | **Restatement of reserves and provisions. in respect of 2007/08 during 2008/09** | | | | |
| | Government grant reserve (upload of New Asset Register of 2007/08 on SAP difference corrected between reserve and asset register) | 56,429 | | 56,429 | |
| | Insurance reserve (correction of balance of Insurance Reserve to correspond with Cashbacking investment) | 214,398,004 | | 214,398,004 | |
| | Rehabilitation provisions (provision was expensed instead of capitalised in 2007/08) | (81,421,984) | | (81,421,984) | |
| | Employment benefit provision expense and liability created (First time implementation of IAS 19: Employment Benefits) | 838,893,000 | | 838,893,000 | |
| | Capitalisation reserve: correction zero value assets | 14,402,212 | | 14,402,212 | |
| | **Total restatements. in respect of 2007/08 done in 2008/09** | **867,030,691** | | **867,030,691** | |
| 43.6 | **Restatement of accumulated surplus before 2007/08** | | | | |
| | Amounts reimbursed by IEC incorrectly allocated to public contributions during 2004/05 | (15,335,500) | | (15,335,500) | |
| | Write back of accumulated depreciation on land - incorrectly calculation during 2004/05 | 141,347,465 | | 141,347,465 | |
| | Write back of accumulated depreciation on undeveloped land - incorrectly calculation during 2004/05 | 123,324 | | 123,324 | |
| | Property rates revenue corrections | (4,316,941) | | (4,316,941) | |
| | Depreciation correction: zero value assets | 128,845,874 | | 128,845,874 | |
| | **Total restatement of accumulated surplus before 2007/08** | **250,664,222** | | **250,664,222** | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| **43.7** | **Restatement of reserves before 2007/08 during 2008/09** | | | | |
| | Capitalisation reserve: Write back on zero value assets depreciation | 139,469,413 | | 139,469,413 | |
| | Government grant reserve: Write back on zero value assets depreciation | 7,553,936 | | 7,553,936 | |
| | **Total restatement of reserves before 2007/08 during 2008/09** | **147,023,349** | | **147,023,349** | |
| **43.8** | **Prior year adjustments. in respect of Municipal entities** | | | | |
| | Housing Company Tshwane | | | 5,677,531 | 11,626,427 |
| | Civirelo | | | 5,502 | (110,172) |
| | Roodeplaat Temba Water Services Trust | | | (9,989,370) | (7,809,766) |
| | Sandspruit Works Association | | | 0 | 70,076 |
| | **Total restatements. in respect of Municipal Entities** | | | **(4,306,337)** | **3,776,565** |
| **44** | **OPERATING LEASES** | | | | |
| **44.1** | **NON-CANCELLABLE** | | | | |
| | Amounts of minimum lease payments under non-cancellable operating leases in respect of photocopier equipment are as follows for: | | | | |
| | * The next year | 1,835,793 | 5,497,215 | 1,835,793 | 5,497,215 |
| | * Years 2 through 5 combined | 1,311,049 | 3,078,233 | 1,311,049 | 3,078,233 |
| | * Beyond five years | 0 | 0 | 0 | 0 |
| | **Total** | **3,146,842** | **8,575,448** | **3,146,842** | **8,575,448** |
| **44.2** | **CANCELLABLE** | | | | |
| | Amounts of minimum lease payments under cancellable operating leases in respect of photocopier equipment are as follows for: | | | | |
| | * The next year | 1,516,364 | 1,497,586 | 5,644,991 | 3,162,353 |
| | * Years 2 through 5 combined | 957,365 | 2,440,867 | 10,742,228 | 7,001,313 |
| | * Beyond five years | 0 | 0 | 0 | 0 |
| | **Total** | **2,473,729** | **3,938,453** | **16,387,219** | **10,163,666** |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| 45 | **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE** | | | | |
| 45.1 | **Unauthorised expenditure** | | | | |
| | Reconciliation of unauthorised expenditure: | | | | |
| | Opening balance | 51,175 | 0 | 51,175 | 0 |
| | Unauthorised expenditure in current year | 74,962,306 | 51,175 | 74,962,306 | 51,175 |
| | Approved by Council/condoned | (36,000) | 0 | (36,000) | 0 |
| | **Unauthorised expenditure awaiting authorisation** | **74,977,481** | **51,175** | **74,977,481** | **51,175** |
| | 2008: Incident 1: Unapproved travelling to Swaziland during November 2007. Disciplinary steps: A report to obtain approval has been submitted to the City Manager<br>2008: Incident 2: Insurance claims not reported in good time and repudiated claims not compliant with procedural deadlines<br>Disciplinary steps: Disciplinary actions taken against relevant employee<br>2009: Incident 1: R14 012 470 expenditure on Municipal rates and services not budgeted for (costs should have been for tenants account) Housing and Sustainable Development<br>2009: Incident 2: R57 023 820 application for funds transfer in adjustments budget not approved for Economic Development: Bus Service<br>2009: Incident 3: R2 800 000 No budget for contract employees from labour brokers (Electricity and Energy Department)<br>2009: Incident 4: R589 915 Cable theft combat - expense to be recovered from claims (Electricity and Energy Department)<br>2009: Incident 5: End user support (IMD) no authorisation from cost centre owner for debiting of costs (Electricity and Energy Department) | | | | |
| 45.2 | **Fruitless and wasteful expenditure** | | | | |
| | Reconciliation of fruitless and wasteful expenditure: | | | | |
| | Opening balance | 1,242,964 | 0 | 1,242,964 | 0 |
| | Fruitless and wasteful expenditure in current year | 404,576 | 1,242,964 | 404,576 | 1,242,964 |
| | Approved by Council/condoned/repaid/written of | (82,370) | 0 | (82,370) | 0 |
| | **Fruitless and wasteful expenditure awaiting condonation/repayment** | **1,565,170** | **1,242,964** | **1,565,170** | **1,242,964** |
| | 2008: Incident 1: Theft of laptop which an employee failed to register as an insurance claim for R24 200. Disciplinary steps - Departmental hearing was held on 27 June 2008. Employee signed admission of guilt and amount will be deducted from his salary.<br>2008: Incident 2: Petty Cash - late A Baduza to the amount of R756. Awaiting approval of report to Strategic Executive Director to write off this expenditure. Expenditure was written off during 2008/09<br>2008: Incident 3: Unauthorised trip to Namibia by Dr M Kruger in the Office of the City Manager. Disciplinary steps - Awaiting authorisation. Authorisation given during 2008/09 (R57,414,00)<br>2008: Incident 4: Supply of fuel to contractor by Housing and Sustainable Human Settlement Development. Disciplinary steps - Investigation underway (R1,160, 594,00) | | | | |

| | DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| | | R | R | R | R |
| | 2009: Incident 1: Electricity and Energy Department (R404,576) claims repudiated due to outstanding case numbers from Cost centre. No Disciplinary steps taken | | | | |
| 45.3 | **Irregular expenditure** | | | | |
| | Reconciliation of irregular expenditure: | | | | |
| | Opening balance | 6,980 | 0 | 6,980 | 0 |
| | Irregular expenditure in current year | 815,966 | 6,980 | 815,966 | 6,980 |
| | Approval/repayment during the current year | (6,980) | 0 | (6,980) | 0 |
| | **Irregular expenditure awaiting condonation** | **815,966** | **6,980** | **815,966** | **6,980** |
| | 2008: Incident: Cash shortage at Premos restaurant. Action/Steps: Manager undertook in writing to replace cash shortage (R6,980) | | | | |
| | 2009: Incident 1: Corporate and Shared Services - fraudulent payment of salaries. SAPS Case nr 182/10/2008. Reported in October 2008 (R150, 336.66) | | | | |
| | 2009: Incident 2: Sport, Recreation, Arts and Culture - New year celebration - Implementation of City Manager Report recommendation (R553,360,00) | | | | |
| | 2009: Incident 3: Electricity and Energy - Issuing of Gas stoves cost centre (R109 30.) | | | | |
| 45.4 | **Unauthorised expenditure due to late approval of deviation report (not approved before 31 August)** | | | | |
| | General Assessments | 277,891,177 | 212,146,820 | 277,891,177 | 212,146,820 |
| | Corporate and Shared Services | 0 | 43,028,671 | 0 | 43,028,671 |
| | Economic Development | 0 | 2,218,079 | 0 | 2,218,079 |
| | Agriculture and Environmental Management | 199,207,792 | 202,865,365 | 199,207,792 | 202,865,365 |
| | **Total (Refer to Appendix F for reasons for deviations)** | **477,098,969** | **460,258,935** | **477,098,969** | **460,258,935** |
| 45.5 | **Expenditure not budgeted for due to first time implementation of accounting Standard IAS 19: Employment Benefits** | | | | |
| | Employment benefit provision expense | 165,303,000 | 838,893,000 | 165,303,000 | 838,893,000 |

| DESCRIPTION | MUNICIPALITY | | GROUP | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| | R | R | R | R |
| **46 PUBLIC PRIVATE PARTNERSHIPS AND JOINT VENTURES** | | | | |
| **46.1 Public Private partnerships** | | | | |
| The City of Tshwane is involved in the following PPP's (only cooperative relationships) (existing contracts/agreements)<br>* Health and Social Development with Foundation for Professional Development. in respect of Multisectoral Aids Management<br>* Health and Social Development with City of Delft on Youth development life skills<br>* Health Care Service with Elisabeth Glaser Paediatric Aids Foundation - prevention of AIDS transmission from mother to child | | | | |
| **46.2 Joint Ventures** | | | | |
| The City of Tshwane is involved in the following Joint Ventures - the parties however act independently (existing agreements)<br>* Health Department with Maasmechelen Municipality for capacity building in respect of Community Structures (Working together as local authorities)<br>* Health and Social Development with HSRC. in respect of prevention strategy targeting commercial sex workers | | | | |
| **47 DEVIATIONS FROM SUPPLY CHAIN MANAGEMENT PROCEDURES** | | | | |
| In terms of section 36(1)(a) of the Supply Chain Management Regulations, the accounting officer may dispense with the official procurement processes in the following instances:<br>* in an emergency<br>* if such goods or services are produced or available from a single provider only<br>* for the acquisition of special works of art or historical objects where specifications are difficult to compile<br>* acquisition of animals for zoos and/or nature and game reserves<br>* in any other exceptional case where it is impractical or impossible to follow the official procurement processes | | | | |
| Deviations from the official procurement process during the financial year was approved in terms of the delegations as stipulated in the Supply Chain Management Policy and amounted to approximately the following: Deviations from tender process (amounts above R200 000 or projects spanning more than one year) | 346,346,352 | 310,823,704 | 346,346,352 | 310,823,704 |
| Deviations from quotation process (amounts below R200 000) | 4,939,171 | 5,676,340 | 4,939,171 | 5,676,340 |
| **48 CHANGE IN ESTIMATE** | | | | |
| The useful lives of certain asset classes have been reviewed and adjusted to more accurately reflect the life spans of the assets. In a majority of the cases the lives of the items have been extended considerably. The effect of this revision has decreased the depreciation charges for the current and future periods by:- | | | | |
| **Other and infrastructure assets** | **210,451,991** | **0** | **210,451,991** | **0** |

**49 FINANCIAL INSTRUMENTS (ONLY IN RESPECT OF PARENT)**

**49.1 Risks**

In the course of the Municipality's business operations it is exposed to interest rate, credit, liquidity and market risk. The Municipality has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

**49.1.1 Interest rate risk**

The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

| Description | Floating rate | Fixed rate | |
|---|---|---|---|
| | | Amount | Weighted average effective interest rate |
| | R | R | % |
| **YEAR ENDED 30 JUNE 2009** | | | |
| **Assets:** | | | |
| Investments | 201,227,196 | 476,724,571 | 13.97 |
| Long-term receivables: | | | |
| Housing loans | | 57,556,328 | 13.87 |
| Motor car loans | | 173,915 | 8.66 |
| Loans to sport clubs | | 1,661,855 | 11.99 |
| Study loans | | | |
| Sale of Land | | 79,405,336 | 11.09 |
| Arrangement debtors | | 58,243,480 | 15 |
| Trade receivables: | | | |
| Consumer | | 2,895,098,051 | 15,00 |
| Other | | | |
| Cash | 89,560,594 | | |
| **Total financial assets** | **290,787,790** | **3,568,863,536** | |
| **Liabilities** | | | |
| Interest bearing borrowings | 162,331,528 | 3,946,687,331 | 11.24 |
| Interest rate swaps | | 227,866,133 | 20.51 |
| Lease liabilities | 262,514,815 | | |
| Trade payables: | | | |
| Creditors | | | |
| Retention | | | |
| Consumer deposits | | | |
| Unspent grants and receipts | | | |
| VAT | | | |

| Description | Floating rate | Fixed rate | |
|---|---|---|---|
| | | Amount | Weighted average effective interest rate |
| | R | R | % |
| Bank overdrafts | 95,416,694 | | |
| **Total financial liabilities** | **520,263,037** | **4,174,553,464** | |
| | **(229,475,247)** | **(605,689,928)** | |
| **YEAR ENDED 30 JUNE 2008** | | | |
| **Assets:** | | | |
| Investments | 197,926,170 | 462,762,530 | 14.21 |
| Long-term receivables: | | | |
| Housing loans | | 59,092,140 | 13.87 |
| Motor car loans | | 2,161,952 | 8.66 |
| Loans to sport clubs | | 1,689,951 | 11.99 |
| Study loans | | | |
| Sale of Land | | 65,779,894 | 11.09 |
| Arrangement debtors | | 48,096,653 | |
| Trade receivables: | | | |
| Consumer | | 2,423,755,273 | 14.5 |
| Other | | | |
| Cash | 43,235,693 | | |
| **Total financial assets** | **241,161,863** | **3,063,338,393** | |
| **Liabilities** | | | |
| Interest bearing borrowings | 162,331,528 | 2,488,146,829 | 11,00 |
| Interest rate swaps | | 227,866,133 | 20.51 |
| Lease liabilities | 257,297,030 | | |
| Trade payables: | | | |
| Creditors | | | |
| Retention | | | |
| Consumer deposits | | | |
| Unspent grants and receipts | | | |
| VAT | | | |
| Bank overdrafts | 106,407,370 | | |
| **Total financial liabilities** | **526,035,928** | **2,716,012,962** | |
| | **(284,874,065)** | **347,325,431** | |

**Interest rate swaps**

The Municipality has entered into interest rate swap contracts that entitle it to receive interest at fixed rates/floating rates on notional principal amounts and that oblige it to pay interest at variable rates/fixed rates on the same amounts. The interest rate swaps allow the Municipality to raise long-term borrowings at fixed rates/floating rates and effectively swap them into variable rates/fixed rates in terms of the structured finance contractual requirements.

The estimated fair value gain/ (loss) indicated below was determined by comparing the interest rate swap contracted values (fixed rate) with the variable rate paid.

At the statement of financial position date the Municipality had entered into the following interest rate swaps relating to specific statement of financial position items:

| | Date | Fixed rate<br>% | Fair value<br>R |
|---|---|---|---|
| **Year ended 30 June 2008** | 19 January 1994 | 19 | 200,000,000 |
| | | | 200,000,000 |
| **Year ended 30 June 2009** | 19 January 1994 | 19 | 200,000,000 |
| | | | 200,000,000 |

**49.1.2 Currency risk**

The Municipality undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations might arise. The Municipality, however, manages this risk by entering into contracts where the risk is carried by the service provider.

**49.1.3 Credit risk**

Financial assets, which potentially subject the Municipality to the risk of non-performance by counter-parties and thereby subject the Municipality to concentrations of credit risk, consist mainly of trade receivables. Credit risk is controlled through the application of a credit control policy and monitoring procedures. Where necessary, the Municipality obtains appropriate deposits and guarantees from debtors to mitigate risk. The Municipality's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions.

The Municipality limits its treasury counter-party exposure arising from money market by only dealing with well established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The Municipality only deals with financial institutions with a short term credit rating of A+ and long-term credit rating of AA- and higher at an International accredited credit-rating agency. The Municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread among different types of approved investments and institutions.

Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Municipality's customer base and their dispersion across different industries and geographical areas. The Municipality does not have any significant exposure to any individual customer or counter-party. Accordingly, the Municipality does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Trade receivables are presented net of the allowance for impairment.

**Maximum exposure to credit risk:** There has been no significant change during the financial year, or since the end of the financial year, to the Municipality's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk. The carrying amount of financial asses recorded in the financial statements, which is net of impairment losses, represents the Municipality's maximum exposure to credit risk without taking into account the value of any collateral obtained.

The major concentrations of credit risk that arise from the Municipality's receivables in relation to customer classification are as follows:

| | 30 June 2009 % | 30 June 2008 % |
|---|---|---|
| Consumer debtors: | | |
| Household | 58 | 59 |
| Industrial/Commercial | 17 | 17 |
| National and Provincial Government | 1 | 1 |
| Other consumer debtors | 11 | 11 |
| Other debtors: | | |
| Housing | 0 | 0 |
| Government subsidies | 0 | 0 |
| RSC levies | 0 | 5 |
| Amounts paid in advance | 0 | 0 |
| Other | 13 | 6 |
| | 100 | 100 |

**49.1.4 Liquidity risk**

The Municipality manages liquidity risk through proper management of working capital, capital expenditure and actual versus forecasted cash flows. Adequate reserves, liquid resources and unused borrowing facilities are also maintained. In terms of its borrowing requirements, the Municipality ensures that adequate funds are available to meet its expected and unexpected financial commitments. In terms of its long-term liquidity risk, a reasonable balance is maintained between the period over which assets generate funds and the period over which the respective assets are funded. Capital expenditure, budgeted and forecast cash flow calculations are funded as follows from the capital market:

| | 30 June 2009 | 30 June 2010 | 30 June 2011 |
|---|---|---|---|
| | R | R | R |
| External funding: capital expenditure | 822,000,000 | 800,000,000 | 650,000,000 |

**49.1.5 Market risk**

The Municipality is exposed to fluctuating market prices inherent in the purchasing of electricity, water and coal used in the delivery of electricity and water services. The Municipality manages this risk by giving any price increases through to the consumers annually. An agreement has been entered into with both Eskom and Rand Water that tariff increases occur only once a year.

**Interest rate risk management:** The Municipality's interest rate profile consists of fixed and floating rate loans and bank balances which exposes the Municipality to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

**Financial assets/liabilities:**

**Trade and other receivables/payables:** At a fixed rate of interest.

Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy of balancing the interest on asset loans with the interest payable on liabilities

**49.2 Fair values**

The Municipality's financial instruments consist mainly of cash and cash equivalents, trade receivables, investments, trade payables, long-term debt and derivative instruments (interest rate swaps).

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets that are available-for-sale or held-for-trading.

The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities

Trade receivables (debtors)

The carrying amount of trade receivables, net of provision for impairment (provision for bad debt) approximates fair value due to the relatively short-term maturity of these financial assets.

Investments

Investments are carried at their original cost in the statement of financial position, except for those where the interest received semi annually are capitalised. The fair value of publicly traded instruments is based on quoted market prices for those investments.

Trade payables

The carrying amount of trade payables approximates fair value due to the relatively short-term maturity of this financial liability.

Interest bearing borrowings

Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Financial Performance over the period of the borrowings on an effective interest basis. The fair value of interest bearing borrowings with variable interest rates approximates their carrying amounts.

Derivatives (interest rate swaps)

Derivative financial instruments (interest rate swaps) are initially measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates.

The fair value of financial liabilities at statement of financial position date are as follows:

| Year ended | Fair value | Carrying amount |
|---|---|---|
| | R | R |
| **30 June 2009** | | |
| **Liabilities** | | |
| Interest rate swaps | 200,000,000 | 200,000,000 |
| **30 June 2008** | | |
| **Liabilities** | | |
| Interest rate swaps | 200,000,000 | 200,000,000 |

**49 Maturity profile**

The maturity profiles of financial assets and liabilities at statement of financial position date are as follows:

| | One year or less<br>R | One to five years<br>R | Over five years<br>R |
|---|---|---|---|
| **YEAR ENDED 30 JUNE 2009** | | | |
| **Assets:** | | | |
| Investments | 177,605,394 | 496,689,319 | 3,657,054 |
| Long-term receivables: | | | |
| Housing loans | | | 57,556,328 |
| Motor car loans | 173,915 | | |
| Loans to sport clubs | | | 1,661,855 |
| Study loans | 5,293 | | |
| Sale of Land | | 79,405,336 | |
| Arrangement debtors | 118,219,963 | 127,152,347 | |
| Trade receivables: | | | |
| Consumer | 3,770,147,949 | 0 | |
| Other | 737,740,110 | | |
| Cash | 89,560,594 | | |
| **Total financial assets** | **4,893,453,218** | **703,247,002** | **62,875,237** |
| **Liabilities** | | | |
| Interest bearing borrowings | 5,812 | 419,554,525 | 3,689,458,522 |
| Interest rate swaps | | 227,949,356 | |
| Lease liabilities | 157,392,134 | 105,122,680 | |
| Trade payables: | | | |
| Creditors | 2,514,243,575 | | |
| Retention | 142,689,724 | | |
| Consumer deposits | 282,759,977 | | |
| Unspent grants and receipts | 419,920,338 | | |
| VAT | 164,585,154 | | |
| Bank overdrafts | 95,416,694 | | |
| **Total financial liabilities** | **3,777,013,408** | **752,626,561** | **3,689,458,522** |
| | | | |
| **YEAR ENDED 30 JUNE 2008** | | | |
| **Assets:** | | | |
| Investments | 235,135,271 | 354,801,402 | 70,752,027 |
| Long-term receivables: | | | |
| Housing loans | | | 59,092,140 |
| Motor car loans | | 2,161,952 | |
| Loans to sport clubs | | | 1,689,951 |

| | One year or less<br>R | One to five years<br>R | Over five years<br>R |
|---|---|---|---|
| Study loans | 13,930 | | |
| Sale of Land | | 65,779,894 | |
| Arrangement debtors | 92,872,599 | 109,724,930 | |
| Trade receivables: | | | |
| Consumer | 3,307,346,377 | 0 | |
| Other | 539,516,021 | | |
| Cash | 43,235,693 | | |
| **Total financial assets** | **4,218,119,891** | **532,468,178** | **131,534,118** |
| **Liabilities** | | | |
| Interest bearing borrowings | 40,635,125 | 353,495,677 | 2,284,213,688 |
| Interest rate swaps | 0 | 200,000,000 | 0 |
| Lease liabilities | 150,248,193 | 107,048,837 | |
| Trade payables: | | | |
| Creditors | 1,659,044,641 | | |
| Retention | 96,661,285 | | |
| Consumer deposits | 267,978,963 | | |
| Unspent grants and receipts | 328,760,232 | | |
| VAT | 104,380,809 | | |
| Bank overdrafts | 106,407,370 | | |
| **Total financial liabilities** | **2,754,116,618** | **660,544,514** | **2,284,213,688** |

**49 Hedging**

Hedging is not applicable in the environment of the Municipality.

## 4.4.7 APPENDIX A SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

### PARENT

| | | | | Opening balance | Received during the year | Redeemed during the year | Amortised value | Closing balance | Carrying value of Property, Plant and Equipment |
|---|---|---|---|---|---|---|---|---|---|
| | | | | R | R | R | R | R | R |
| **EXTERNAL LOANS:** | | | | | | | | | |
| **LOCAL REGISTERED STOCK:** | | | | | | | | | |
| **Issued** | **Loan number** | **Interest rate (%)** | **Redeemable** | | | | | | |
| 1997 | 105 | 16.65 | 2014.06.30 | 95,524,901 | 0 | 0 | 496,349 | 96,021,250 | 126,551,756 |
| 1993 | 104 | 14.15 | 2008.09.30 | 40,629,329 | 0 | 40,000,000 | (629,329) | 0 | 0 |
| 1984 | 43 | 16.25 | 2004.04.30 | 5,812 | 0 | 0 | 0 | 5,812 | 7,660 |
| 1990 | 55 | 16.40 | 2011.06.30 | 14,670,620 | 0 | 0 | (61,478) | 14,609,142 | 19,254,202 |
| 1992 | 62 | 13.50 | 2011.06.30 | 21,414,122 | 0 | 0 | (273,460) | 21,140,662 | 27,862,457 |
| 1993 | 63 | 14,00 | 2011.06.30 | 36,916,500 | 0 | 0 | 790,967 | 37,707,467 | 49,696,772 |
| 1997 | 65 | 15.75 | 2011.06.30 | 50,000,000 | 0 | 0 | 0 | 50,000,000 | 65,897,786 |
| 2000 | 66 | 16.50 | 2011.06.30 | 59,000,000 | 0 | 0 | 0 | 59,000,000 | 77,759,388 |
| **TOTAL LOCAL REGISTERED STOCK** | | | | **318,161,284** | **0** | **40,000,000** | **323,049** | **278,484,333** | **367,030,021** |
| **TERM LOANS:** | | | | | | | | | |
| **DBSA: Bullet portion** | | 13.50 | 2018.04.30 | 51,724,111 | 0 | 0 | 21,941 | 51,746,052 | 68,199,006 |
| **DBSA: Floating rate** | | Variable | 2019.10.31 | 78,331,528 | 0 | 0 | 0 | 78,331,528 | 103,237,486 |
| **Absa Bank loan B3** | | Variable | 2011.06.30 | 84,000,000 | 0 | 0 | 0 | 84,000,000 | 110,708,281 |
| **INCA loan** | | 17.15 | 2011.06.30 | 45,000,000 | 0 | 0 | 0 | 45,000,000 | 59,308,008 |
| **Absa Bank Arbitrage** | | 19.13 | 2011.10.31 | 227,866,133 | 0 | 0 | 83,223 | 227,949,356 | 300,427,159 |
| **TOTAL TERM LOANS** | | | | **486,921,772** | **0** | **0** | **105,164** | **487,026,936** | **641,879,939** |
| **ANNUITY LOANS:** | | | | | | | | | |
| **DBSA** | | 13.5 | 2018.04.30 | 239,307,959 | 0 | 10,988,969 | (274,584) | 228,044,406 | 300,552,431 |
| **DBSA Local Authorities** | | 13.5 | 2012.12.31 | 14,628,304 | 0 | 2,552,300 | 0 | 12,076,004 | 15,915,639 |
| **DBSA (Restructuring)** | | 10.87 | 2018.12.31 | 235,954,085 | 0 | 12,866,562 | 0 | 223,087,523 | 294,019,478 |
| **INCA** | | 11.66 | 2019.06.30 | 17,435,996 | 0 | 875,935 | 0 | 16,560,061 | 21,825,427 |
| **INCA** | | 9.52 | 2020.03.31 | 203,496,005 | 0 | 9,441,121 | (107,605) | 193,947,279 | 255,613,927 |
| **INCA** | | 11.01 | 2020.06.30 | 45,254,380 | 0 | 1,956,705 | 0 | 43,297,675 | 57,064,419 |
| **DBSA** | | 9.36 | 2020.12.31 | 250,938,884 | 0 | 11,260,822 | 0 | 239,678,062 | 315,885,074 |
| **INCA** | | 10.92 | 2020.12.31 | 92,220,052 | 0 | 3,728,357 | 0 | 88,491,695 | 116,628,136 |
| **INCA** | | 10.81 | 2021.06.30 | 75,143,954 | 0 | 2,850,183 | 0 | 72,293,771 | 95,279,989 |
| **DBSA** | | 5.0 | 2021.12.31 | 90,139,493 | 0 | 5,070,687 | 0 | 85,068,806 | 112,116,920 |

| | | | Opening balance | Received during the year | Redeemed during the year | Amortised value | Closing balance | Carrying value of Property, Plant and Equipment |
|---|---|---|---|---|---|---|---|---|
| **DBSA** | 9.835 | 2021.12.31 | 369,274,910 | 0 | 15,000,273 | 0 | 354,274,637 | 466,918,286 |
| **Ivuzi** | 13.5 | 2021.12.31 | 189,467,412 | 0 | 7,788,818 | 0 | 181,678,594 | 239,444,343 |
| **DBSA** | 6.25 | 2028.06.30 | 50,000,000 | 50,000,000 | 2,880,175 | 0 | 97,119,825 | 127,999,629 |
| **DBSA** | 12.81 | 2028.06.30 | 200,000,000 | 0 | 2,435,260 | 0 | 197,564,740 | 260,381,580 |
| **DBSA** | 11.32 | 2028.06.30 | 0 | 200,000,000 | 1,504,949 | 0 | 198,495,051 | 261,607,689 |
| **Absa Roodeplaat Temba** | 12.5 | 2021.03.31 | 0 | 234,799,996 | 7,705,080 | 7,709,350 | 234,804,266 | 309,461,627 |
| **DBSA Roodeplaat Temba** | 11.99 | 2021.03.31 | 0 | 121,842,531 | 4,170,002 | 3,854,981 | 121,527,510 | 160,167,878 |
| **Nedbank Roodeplaat Temba** | 12.51 | 2021.03.31 | 0 | 161,424,998 | 5,243,852 | 5,265,896 | 161,447,042 | 212,780,053 |
| **DBSA TIP** | 6.75 | 2029.06.30 | 0 | 150,000,000 | 0 | 0 | 150,000,000 | 197,693,359 |
| **DBSA IIP** | 10.84 | 2029.06.30 | 0 | 672,000,000 | 0 | 0 | 672,000,000 | 885,666,248 |
| **TOTAL ANNUITY LOANS** | | | **2,073,261,434** | **1,590,067,525** | **108,320,050** | **16,448,038** | **3,571,456,947** | **2,679,645,280** |
| **TOTAL EXTERNAL LOANS** | | | **2,878,344,490** | **1,590,067,525** | **148,320,050** | **16,876,251** | **4,336,968,216** | **5,715,932,094** |
| **FINANCE LEASES:** | | | | | | | | |
| **ABSA** | Variable * | | 13,515,052 | 8,480,433 | 6,558,276 | 0 | 15,437,209 | 14,591,213 |
| **AMASONDO** | Variable * | | 73,449,180 | 8,108,224 | 33,680,418 | 0 | 47,876,986 | 44,921,910 |
| **DATACENTRIX** | Variable * | | 17,678,334 | 28,500,175 | 15,635,122 | 0 | 30,543,387 | 28,567,205 |
| **DEBIS FLEET MANAGEMENT** | Variable * | | 12,740,356 | 1,330,128 | 5,641,137 | 0 | 8,429,347 | 8,134,618 |
| **FLEET AFRICA** | Variable * | | 12,940,573 | 2,414,434 | 10,848,250 | 0 | 4,506,757 | 4,399,812 |
| **IMPERIAL** | Variable * | | 9,173,208 | 1,119,752 | 2,682,929 | 0 | 7,610,031 | 7,366,340 |
| **MAN FINANCIAL SERVICES** | Variable * | | 0 | 79,947,995 | 10,224,362 | 0 | 69,723,633 | 68,976,454 |
| **STANDARD BANK** | Variable * | | 28,126,576 | 3,027,042 | 9,551,045 | 0 | 21,602,573 | 21,125,518 |
| **STANNIC** | Variable * | | 487,470 | 44,142 | 465,945 | 0 | 65,667 | 49,348 |
| **TSHWANE AUTO LEASING** | Variable * | | 13,989,709 | 1,637,766 | 6,403,232 | 0 | 9,224,243 | 9,054,576 |
| **VIAMAX** | Variable * | | 65,470,381 | 6,867,721 | 30,755,505 | 0 | 41,582,597 | 39,931,008 |
| **VUSWA** | Variable * | | 9,726,192 | 809,518 | 4,623,325 | 0 | 5,912,385 | 5,753,837 |
| **TOTAL FINANCE LEASES** | | | **257,297,031** | **142,287,330** | **137,069,546** | **0** | **262,514,815** | **252,871,839** |

* Variable linked to prime rate

## SCHEDULE OF EXTERNAL LOANS: GROUP

| | | | | Opening balance | Received during the year | Redeemed during the year | Amortised value | Closing balance | Carrying value of Property, Plant and Equipment |
|---|---|---|---|---|---|---|---|---|---|
| | | | | R | R | R | R | R | R |
| **EXTERNAL LOANS:** | | | | | | | | | |
| **LOCAL REGISTERED STOCK:** | | | | | | | | | |
| Issued | Loan number | Interest rate (%) | Redeem-able | | | | | | |
| 1997 | 105 | 16.65 | 2014.06.30 | 95,524,901 | 0 | | 496,349 | 96,021,250 | 126,551,756 |
| 1993 | 104 | 14.15 | 2008.09.30 | 40,629,329 | 0 | 40,000,000 | (629,329) | 0 | 0 |
| 1984 | 43 | 16.25 | 2004.04.30 | 5,812 | 0 | 0 | 0 | 5,812 | 7,660 |
| 1990 | 55 | 16.40 | 2011.06.30 | 14,670,620 | 0 | 0 | (61,478) | 14,609,142 | 19,254,202 |
| 1992 | 62 | 13.50 | 2011.06.30 | 21,414,122 | 0 | 0 | (273,460) | 21,140,662 | 27,862,457 |
| 1993 | 63 | 14,00 | 2011.06.30 | 36,916,500 | 0 | 0 | 790,967 | 37,707,467 | 49,696,772 |
| 1997 | 65 | 15.75 | 2011.06.30 | 50,000,000 | 0 | 0 | 0 | 50,000,000 | 65,897,786 |
| 2000 | 66 | 16.50 | 2011.06.30 | 59,000,000 | 0 | 0 | 0 | 59,000,000 | 77,759,388 |
| **TOTAL LOCAL REGISTERED STOCK** | | | | **318,161,284** | **0** | **40,000,000** | **323,049** | **278,484,333** | **367,030,021** |
| **TERM LOANS:** | | | | | | | | | |
| **DBSA: Bullet portion** | | 13.50 | 2018.04.30 | 51,724,111 | 0 | 0 | 21,941 | 51,746,052 | 68,199,006 |
| **DBSA: Floating rate** | | Variable | 2019.10.31 | 78,331,528 | 0 | 0 | 0 | 78,331,528 | 103,237,486 |
| **Absa Bank loan B3** | | Variable | 2011.06.30 | 84,000,000 | 0 | 0 | 0 | 84,000,000 | 110,708,281 |
| National Housing Finance Corp | | 14,00 | | 4,484,943 | 0 | 103,911 | 0 | 4,381,032 | 4,381,032 |
| Gauteng Partnership Fund | | 0,00 | | 293,000 | 0 | 0 | 0 | 293,000 | 293,000 |
| **INCA loan** | | 17.15 | 2011.06.30 | 45,000,000 | 0 | 0 | 0 | 45,000,000 | 59,308,008 |
| **Absa Bank Arbitrage** | | 19.13 | 2011.10.31 | 227,866,133 | 0 | 0 | 83,223 | 227,949,356 | 300,427,159 |
| **TOTAL TERM LOANS** | | | | **491,699,715** | **0** | **103,911** | **105,164** | **491,700,968** | **646,553,972** |
| **ANNUITY LOANS:** | | | | | | | | | |
| **DBSA** | | 13.5 | 2018.04.30 | 239,307,959 | 0 | 10,988,969 | (274,584) | 228,044,406 | 300,552,432 |
| **DBSA Local Authorities** | | 13.5 | 2012.12.31 | 14,628,304 | 0 | 2,552,300 | 0 | 12,076,004 | 15,915,639 |
| **DBSA (Restructuring)** | | 10.87 | 2018.12.31 | 235,954,085 | 0 | 12,866,562 | 0 | 223,087,523 | 294,019,478 |
| **INCA** | | 11.66 | 2019.06.30 | 17,435,996 | 0 | 875,935 | 0 | 16,560,061 | 21,825,427 |
| **INCA** | | 9.52 | 2020.03.31 | 203,496,005 | 0 | 9,441,121 | (107,605) | 193,947,279 | 255,613,927 |
| **INCA** | | 11.01 | 2020.06.30 | 45,254,380 | 0 | 1,956,705 | 0 | 43,297,675 | 57,064,419 |
| **DBSA** | | 9.36 | 2020.12.31 | 250,938,884 | 0 | 11,260,822 | 0 | 239,678,062 | 315,885,074 |
| **INCA** | | 10.92 | 2020.12.31 | 92,220,052 | 0 | 3,728,357 | 0 | 88,491,695 | 116,628,136 |

| | | | Opening balance | Received during the year | Redeemed during the year | Amortised value | Closing balance | Carrying value of Property, Plant and Equipment |
|---|---|---|---|---|---|---|---|---|
| **INCA** | 10.81 | 2021.06.30 | 75,143,954 | 0 | 2,850,183 | 0 | 72,293,771 | 95,279,989 |
| **DBSA** | 5.0 | 2021.12.31 | 90,139,493 | 0 | 5,070,687 | 0 | 85,068,806 | 112,116,920 |
| **DBSA** | 9.835 | 2021.12.31 | 369,274,910 | 0 | 15,000,273 | 0 | 354,274,637 | 466,918,286 |
| **Ivuzi** | 13.5 | 2021.12.31 | 189,467,412 | 0 | 7,788,818 | 0 | 181,678,594 | 239,444,343 |
| **DBSA** | 6.25 | 2028.06.30 | 50,000,000 | 50,000,000 | 2,880,175 | 0 | 97,119,825 | 127,999,629 |
| **DBSA** | 12.81 | 2028.06.30 | 200,000,000 | 0 | 2,435,260 | 0 | 197,564,740 | 260,381,580 |
| **DBSA** | 11.32 | 2028.06.30 | 0 | 200,000,000 | 1,504,949 | 0 | 198,495,051 | 261,607,689 |
| Absa (Roodeplaat/Temba Trust) | 12.50 | 2021.03.31 | 234,799,996 | 0 | 7,705,080 | 7,709,350 | 234,804,266 | 309,461,627 |
| DBSA (Roodeplaat/Temba Trust) | 11.99 | 2021.03.31 | 121,842,531 | 0 | 4,170,002 | 3,854,981 | 121,527,510 | 160,167,878 |
| Nedbank (Roodeplaat/Temba Trust) | 12.51 | 2021.03.31 | 161,424,998 | 0 | 5,243,852 | 5,265,896 | 161,447,042 | 212,780,053 |
| **DBSA TIP** | 6.75 | 2029.06.30 | 0 | 150,000,000 | 0 | 0 | 150,000,000 | 197,693,359 |
| **DBSA IIP** | 10.84 | 2029.06.30 | 0 | 672,000,000 | 0 | 0 | 672,000,000 | 885,666,248 |
| **TOTAL ANNUITY LOANS** | | | **2,591,328,959** | **1,072,000,000** | **108,320,050** | **16,448,038** | **3,571,456,947** | **4,707,022,133** |
| **TOTAL EXTERNAL LOANS** | | | **3,401,189,958** | **1,072,000,000** | **148,423,961** | **16,876,251** | **4,341,642,248** | **5,720,606,126** |
| **FINANCE LEASES:** | | | | | | | | |
| **ABSA** | Variable * | | 13,515,052 | 8,480,433 | 6,558,276 | 0 | 15,437,209 | 14,591,213 |
| **AMASONDO** | Variable * | | 73,449,180 | 8,108,224 | 33,680,418 | 0 | 47,876,986 | 44,921,910 |
| **DATACENTRIX** | Variable * | | 17,678,334 | 28,500,175 | 15,635,122 | 0 | 30,543,387 | 28,567,205 |
| **DEBIS FLEET MANAGEMENT** | Variable * | | 12,740,356 | 1,330,128 | 5,641,137 | 0 | 8,429,347 | 8,134,618 |
| **FLEET AFRICA** | Variable * | | 12,940,573 | 2,414,434 | 10,848,250 | 0 | 4,506,757 | 4,399,812 |
| **IMPERIAL** | Variable * | | 9,173,208 | 1,119,752 | 2,682,929 | 0 | 7,610,031 | 7,366,340 |
| **MAN FINANCIAL SERVICES** | Variable * | | 0 | 79,947,995 | 10,224,362 | 0 | 69,723,633 | 68,976,454 |
| **STANDARD BANK** | Variable * | | 28,126,576 | 3,027,042 | 9,551,045 | 0 | 21,602,573 | 21,125,518 |
| **STANNIC** | Variable * | | 487,470 | 44,142 | 465,945 | 0 | 65,667 | 49,348 |
| **TSHWANE AUTO LEASING** | Variable * | | 13,989,709 | 1,637,766 | 6,403,232 | 0 | 9,224,243 | 9,054,576 |
| **VIAMAX** | Variable * | | 65,470,381 | 6,867,721 | 30,755,505 | 0 | 41,582,597 | 39,931,008 |
| **VUSWA 60 MONTHS** | Variable * | | 9,726,192 | 809,518 | 4,623,325 | 0 | 5,912,385 | 5,753,837 |
| LEASE LIABILITY (Roodeplaat/Temba Trust) | | | 24,247,749 | 0 | 24,247,749 | 0 | 0 | 0 |
| **TOTAL FINACE LEASES** | | | **281,544,780** | **142,287,330** | **161,317,295** | **0** | **262,514,815** | **252,871,839** |
| * Variable linked to prime rate | | | | | | | | |

## 4.4.8 APPENDIX B ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

### ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR PARENT

| Asset class | Note | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Opening balance | Additions | Disposals | Transfers | Closing balance | Opening balance | Additions | Disposals, Transfers and adjustments | Closing balance | |
| | | R | R | R | R | R | R | R | R | R | R |
| **INFRASTRUCTURE** | **10.1** | | | | | | | | | | |
| Assets under construction | | 1,053,819,662 | 827,431,152 | 0 | (503,563,002) | 1,377,687,812 | 0 | 0 | 0 | 0 | 1,377,687,812 |
| Electricity | | 2,352,785,606 | 309,151,313 | 0 | 39,923,441 | 2,701,860,360 | 638,326,087 | 54,341,498 | 0 | 692,667,585 | 2,009,192,775 |
| General | | 59,019,883 | 4,727,163 | 0 | 2,579,005 | 66,326,051 | 23,875,206 | 8,061,984 | 0 | 31,937,190 | 34,388,861 |
| Roads | | 3,122,029,011 | 519,629,697 | 0 | 124,343,212 | 3,766,001,920 | 912,428,632 | 138,355,186 | 0 | 1,050,783,818 | 2,715,218,102 |
| Water and sanitation | | 2,300,827,540 | 736,489,490 | 0 | 296,793,282 | 3,334,110,312 | 576,585,157 | 182,161,361 | 0 | 758,746,518 | 2,575,363,794 |
| | | 8,888,481,702 | 2,397,428,815 | 0 | (39,924,062) | 11,245,986,455 | 2,151,215,082 | 382,920,029 | 0 | 2,534,135,111 | 8,711,851,344 |
| **COMMUNITY ASSETS** | **10.2** | | | | | | | | | | |
| General | | 1,134,605,474 | 264,619,289 | 0 | 35,533,476 | 1,434,758,239 | 289,532,435 | 43,608,501 | 0 | 333,140,936 | 1,101,617,303 |
| Assets under construction | | 14,450,611 | 19,848,542 | 0 | (9,049,323) | 25,249,830 | 0 | 0 | 0 | 0 | 25,249,830 |
| | | 1,149,056,085 | 284,467,831 | 0 | 26,484,153 | 1,460,008,069 | 289,532,435 | 43,608,501 | 0 | 333,140,936 | 1,126,867,133 |
| **HERITAGE ASSETS** | **10.3** | | | | | | | | | | |
| General | | 3,814,388 | 0 | 0 | 0 | 3,814,388 | 119,241 | 38,716 | 0 | 157,957 | 3,656,431 |
| | | 3,814,388 | 0 | 0 | 0 | 3,814,388 | 119,241 | 38,716 | 0 | 157,957 | 3,656,431 |
| **HOUSING** | **10.4** | | | | | | | | | | |
| Housing assets | | 174,017,709 | 36,040,716 | 0 | 5,370,612 | 215,429,037 | 56,430 | 85,406 | 0 | 141,836 | 215,287,201 |
| Assets under construction | | 10,608,727 | 0 | 0 | (6,942,393) | 3,666,334 | 0 | 0 | 0 | 0 | 3,666,334 |

| Asset class | Note | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Opening balance | Additions | Disposals | Transfers | Closing balance | Opening balance | Additions | Disposals, Transfers and adjustments | Closing balance | |
| | | 184,626,436 | 36,040,716 | 0 | (1,571,781) | 219,095,371 | 56,430 | 85,406 | 0 | 141,836 | 218,953,535 |
| **STOCK** | **10.5** | | | | | | | | | | |
| Stock | | 407,735 | 0 | 0 | 0 | 407,735 | 0 | 0 | 0 | 0 | 407,735 |
| | | 407,735 | 0 | 0 | 0 | 407,735 | 0 | 0 | 0 | 0 | 407,735 |
| **Land** | **10.6** | | | | | | | | | | |
| Land | | 1,049,966,212 | 21,458,188 | 0 | 0 | 1,071,424,400 | 0 | 0 | 0 | 0 | 1,071,424,400 |
| | | 1,049,966,212 | 21,458,188 | 0 | 0 | 1,071,424,400 | 0 | 0 | 0 | 0 | 1,071,424,400 |
| **BUILDINGS** | **10.7** | | | | | | | | | | |
| Buildings | | 778,864,363 | 83,458,318 | 0 | 16,341,709 | 878,664,390 | 318,988,439 | 36,183,756 | 0 | 355,172,195 | 523,492,195 |
| | | 778,864,363 | 83,458,318 | 0 | 16,341,709 | 878,664,390 | 318,988,439 | 36,183,756 | 0 | 355,172,195 | 523,492,195 |
| **OTHER** | **10.8** | | | | | | | | | | |
| General | | 1,093,878,603 | 95,787,571 | (98,015,719) | 7,547,441 | 1,099,197,896 | 553,621,649 | 5,209,854 | (64,730,285) | 494,101,218 | 605,096,678 |
| Rehabilitation assets | | 81,421,984 | 96,628,085 | 0 | 0 | 178,050,069 | 0 | 16,813,874 | 0 | 16,813,874 | 161,236,195 |
| Assets under construction | | 73,574,006 | 220,203,379 | 0 | (57,582,835) | 236,194,550 | 0 | 0 | 0 | 0 | 236,194,550 |
| Non-current assets held for sale (transfer) | | 0 | 0 | 0 | (1,552,635) | (1,552,635) | 0 | 0 | (1,158,320) | (1,158,320) | (394,315) |
| | | 1,248,874,593 | 412,619,035 | (98,015,719) | (51,588,029) | 1,511,889,880 | 553,621,649 | 22,023,728 | (65,888,605) | 509,756,772 | 1,002,133,108 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **10.9** | **13,304,091,514** | **3,235,472,903** | **(98,015,719)** | **(50,258,010)** | **16,391,290,688** | **3,313,533,276** | **484,860,136** | **(65,888,605)** | **3,732,504,807** | **12,658,785,881** |

| Asset class | Note | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Opening balance | Additions | Disposals | Transfers | Closing balance | Opening balance | Additions | Disposals, Transfers and adjustments | Closing balance | |
| **INVESTMENT PROPERTY** | **10.10** | | | | | | | | | | |
| Investment assets | | 44,788,161 | 0 | 0 | 0 | 44,788,161 | 34,217,137 | 2,543,862 | 0 | 36,760,999 | 8,027,162 |
| | | 44,788,161 | 0 | 0 | 0 | 44,788,161 | 34,217,137 | 2,543,862 | 0 | 36,760,999 | 8,027,162 |
| **INTANGIBLE ASSETS** | **10.11** | | | | | | | | | | |
| Computer software | | 158,946,434 | 37,045,202 | 0 | 48,705,375 | 244,697,011 | 60,911,323 | 27,594,940 | 0 | 88,506,263 | 156,190,748 |
| | | 158,946,434 | 37,045,202 | 0 | 48,705,375 | 244,697,011 | 60,911,323 | 27,594,940 | 0 | 88,506,263 | 156,190,748 |
| | | | | | | | | | | | |
| **TOTAL** | **10.12** | **13,507,826,109** | **3,272,518,105** | **(98,015,719)** | **(1,552,635)** | **16,680,775,860** | **3,408,661,736** | **514,998,938** | **(65,888,605)** | **3,857,772,069** | **12,823,003,790** |

## ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT FOR GROUP

| Asset class | Note | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Opening balance | Additions | Disposals | Transfers | Closing balance | Opening balance | Additions | Disposals, Transfers and adjustments | Closing balance | |
| | | R | R | R | R | R | R | R | R | R | R |
| **INFRASTRUCTURE** | **10.1** | | | | | | | | | | |
| Assets under construction | | 1,053,819,662 | 827,431,152 | | (503,563,002) | 1,377,687,812 | 0 | 0 | 0 | 0 | 1,377,687,812 |
| Electricity | | 2,352,785,606 | 309,151,313 | 0 | 39,923,441 | 2,701,860,360 | 638,326,087 | 54,341,498 | 0 | 692,667,585 | 2,009,192,775 |
| General | | 59,019,883 | 4,727,163 | 0 | 2,579,005 | 66,326,051 | 23,875,206 | 8,061,984 | 0 | 31,937,190 | 34,388,861 |
| Roads | | 3,122,029,011 | 519,629,697 | 0 | 124,343,212 | 3,766,001,920 | 912,428,632 | 138,355,186 | 0 | 1,050,783,818 | 2,715,218,102 |
| Water and sanitation | | 2,300,827,540 | 736,489,490 | 0 | 296,793,282 | 3,334,110,312 | 576,585,157 | 182,161,361 | 0 | 758,746,518 | 2,575,363,794 |
| Sandspruit Works Association | | 11,423,235 | 1,243,425 | 0 | 0 | 12,666,660 | 2,661,989 | 1,036,522 | 0 | 3,698,511 | 8,968,149 |
| | | 8,899,904,937 | 2,398,672,240 | 0 | (39,924,062) | 11,258,653,115 | 2,153,877,071 | 383,956,551 | 0 | 2,537,833,622 | 8,720,819,493 |
| **COMMUNITY ASSETS** | **10.2** | | | | | | | | | | |
| General | | 1,134,605,474 | 264,619,289 | 0 | 35,533,476 | 1,434,758,239 | 289,532,435 | 43,608,501 | 0 | 333,140,936 | 1,101,617,303 |
| Assets under construction | | 14,450,611 | 19,848,542 | 0 | (9,049,323) | 25,249,830 | 0 | 0 | 0 | 0 | 25,249,830 |
| | | 1,149,056,085 | 284,467,831 | 0 | 26,484,153 | 1,460,008,069 | 289,532,435 | 43,608,501 | 0 | 333,140,936 | 1,126,867,133 |
| **HERITAGE ASSETS** | **10.3** | | | | | | | | | | |
| General | | 3,814,388 | 0 | | 0 | 3,814,388 | 119,241 | 38,716 | 0 | 157,957 | 3,656,431 |
| | | 3,814,388 | 0 | 0 | 0 | 3,814,388 | 119,241 | 38,716 | 0 | 157,957 | 3,656,431 |
| **HOUSING** | **10.4** | | | | | | | | | | |
| Housing assets | | 174,017,709 | 36,040,716 | 0 | 5,370,612 | 215,429,037 | 56,430 | 85,406 | 0 | 141,836 | 215,287,201 |
| Assets under construction | | 10,608,727 | 0 | 0 | (6,942,393) | 3,666,334 | 0 | 0 | 0 | 0 | 3,666,334 |
| | | 184,626,436 | 36,040,716 | 0 | (1,571,781) | 219,095,371 | 56,430 | 85,406 | 0 | 141,836 | 218,953,535 |

| Asset class | Note | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Opening balance | Additions | Disposals | Transfers | Closing balance | Opening balance | Additions | Disposals, Transfers and adjustments | Closing balance | |
| **STOCK** | **10.5** | | | | | | | | | | |
| Stock | | 407,735 | 0 | 0 | 0 | 407,735 | 0 | 0 | 0 | 0 | 407,735 |
| | | 407,735 | 0 | 0 | 0 | 407,735 | 0 | 0 | 0 | 0 | 407,735 |
| **Land** | **10.6** | | | | | | | | | | |
| Land | | 1,049,966,212 | 21,458,188 | 0 | 0 | 1,071,424,400 | 0 | 0 | 0 | 0 | 1,071,424,400 |
| | | 1,049,966,212 | 21,458,188 | 0 | 0 | 1,071,424,400 | 0 | 0 | 0 | 0 | 1,071,424,400 |
| **BUILDINGS** | **10.7** | | | | | | | | | | |
| Buildings | | 778,864,363 | 83,458,318 | 0 | 16,341,709 | 878,664,390 | 318,988,439 | 36,183,756 | 0 | 355,172,195 | 523,492,195 |
| Sandspruit: Land and buildings | | 7,525,758 | 233,224 | 0 | 0 | 7,758,982 | 1,004,025 | 349,061 | | 1,353,086 | 6,405,896 |
| | | 786,390,121 | 83,691,542 | 0 | 16,341,709 | 886,423,372 | 319,992,464 | 36,532,817 | 0 | 356,525,281 | 529,898,091 |
| **OTHER** | **10.8** | | | | | | | | | | |
| General | | 1,093,878,603 | 95,787,571 | (98,015,719) | 7,547,441 | 1,099,197,896 | 553,621,649 | 5,209,854 | (64,730,285) | 494,101,218 | 605,096,678 |
| Rehabilitation assets | | 81,421,984 | 96,628,085 | 0 | 0 | 178,050,069 | 0 | 16,813,874 | 0 | 16,813,874 | 161,236,195 |
| Assets under construction | | 73,574,006 | 220,203,379 | 0 | (57,582,835) | 236,194,550 | 0 | 0 | 0 | 0 | 236,194,550 |
| Non-current assets held for sale (transfer) | | 0 | 0 | 0 | (1,552,635) | (1,552,635) | 0 | 0 | (1,158,320) | (1,158,320) | (394,315) |
| Cenbis: Furniture and equipment | | 580,824 | | | | 580,824 | 550,463 | | | 550,463 | 30,361 |
| Housing Company: equipment and furniture | | 404,193 | 69,977 | 0 | (83,537) | 390,633 | 224,440 | 64,554 | (10,968) | 278,026 | 112,607 |
| Sandspruit: Other equipment | | 7,023,960 | 872,830 | 0 | | 7,896,790 | 4,116,841 | 1,369,183 | 8,119 | 5,494,143 | 2,402,647 |
| Civirelo: Office, IT equipment and software | | 78,613 | 22,219 | 0 | 0 | 100,832 | 31,538 | 13,961 | 0 | 45,499 | 55,333 |
| Roodeplaat Temba: Work in progress | | 475,042,472 | | | (475,042,472) | 0 | 97,378,450 | | (97,378,450) | 0 | 0 |

| Asset class | Note | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Opening balance | Additions | Disposals | Transfers | Closing balance | Opening balance | Additions | Disposals, Transfers and adjustments | Closing balance | |
| | | 1,732,004,655 | 413,584,061 | (98,015,719) | (526,714,038) | 1,520,858,959 | 655,923,381 | 23,471,426 | (163,269,904) | 516,124,903 | 1,004,734,056 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **10.9** | **13,806,170,569** | **3,237,914,578** | **(98,015,719)** | **(525,384,019)** | **16,420,685,409** | **3,419,501,022** | **487,693,417** | **(163,269,904)** | **3,743,924,535** | **12,676,760,874** |
| **INVESTMENT PROPERTY** | **10.10** | | | | | | | | | | |
| Investment assets | | 44,788,161 | 0 | 0 | 0 | 44,788,161 | 34,217,137 | 2,543,862 | 0 | 36,760,999 | 8,027,162 |
| Housing Company: Investment property | | 10,000,000 | | 0 | (400,000) | 9,600,000 | 0 | | | 0 | 9,600,000 |
| | | 54,788,161 | 0 | 0 | (400,000) | 54,388,161 | 34,217,137 | 2,543,862 | 0 | 36,760,999 | 17,627,162 |
| **INTANGIBLE ASSETS** | **10.11** | | | | | | | | | | |
| Computer software | | 158,946,434 | 37,045,202 | 0 | 48,705,375 | 244,697,011 | 60,911,323 | 27,594,940 | 0 | 88,506,263 | 156,190,747 |
| Civirelo: Intangible assets | | 61,140 | 0 | | 0 | 61,140 | 57,900 | 1,620 | 0 | 59,520 | 1,620 |
| | | 159,007,574 | 37,045,202 | 0 | 48,705,375 | 244,758,151 | 60,969,223 | 27,596,560 | 0 | 88,565,783 | 156,192,367 |
| **TOTAL** | **10.12** | **14,019,966,304** | **3,274,959,780** | **(98,015,719)** | **(477,078,644)** | **16,719,831,721** | **3,514,687,382** | **517,833,839** | **(163,269,904)** | **3,869,251,317** | **12,850,580,403** |

## 4.4.9 APPENDIX C SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT FOR PARENT

| Service | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Additions | Disposals and adjustments | Transfers and adjustments | Closing balance | Opening balance | Additions | Disposals, transfers& adjustments | Closing balance | |
| | R | R | R | R | R | R | R | R | R | R |
| Office of Executive Mayor and City Manager | 122,919,362 | 604,115 | (1,948,769) | (9,362) | 121,565,346 | 12,711,686 | 3,933,373 | (1,598,941) | 15,046,118 | 106,519,228 |
| Financial Services | 73,499,756 | 3,899,727 | (5,053,684) | (38,861) | 72,306,938 | 32,610,781 | 2,358,510 | (3,933,301) | 31,035,990 | 41,270,948 |
| General Assessments | 47,277,352 | 43,142,929 | (13,578,688) | (1,675) | 76,839,918 | 13,964,083 | (3,953,224) | (33,847) | 9,977,012 | 66,862,906 |
| Corporate and Shared Services | 1,789,090,971 | 78,693,492 | (28,388,938) | (212,810) | 1,839,182,715 | 393,776,591 | 51,856,709 | (20,650,583) | 424,982,717 | 1,414,199,998 |
| Community Safety | 361,321,682 | 40,815,005 | (13,571,267) | (146,213) | 388,419,207 | 171,167,171 | (7,113,925) | (11,044,813) | 153,008,433 | 235,410,774 |
| Economic Development | 282,096,602 | 41,551,784 | (1,265,759) | (615,655) | 321,766,972 | 121,455,580 | (17,493,822) | (1,404,694) | 102,557,064 | 219,209,908 |
| Health and Social Development | 142,203,629 | 9,314,485 | (3,247,592) | (59,206) | 148,211,316 | 36,575,833 | 9,596,003 | (2,865,229) | 43,306,607 | 104,904,709 |
| City Planning Development and Regional Services | 49,891,473 | 12,434,603 | (3,283,710) | (249,543) | 58,792,823 | 16,710,828 | 3,603,197 | (2,452,936) | 17,861,089 | 40,931,734 |
| Sport and Recreation | 1,822,078,071 | 401,811,894 | (5,119,284) | (266,241) | 2,218,504,440 | 197,401,556 | 58,679,509 | (4,319,376) | 251,761,689 | 1,966,742,751 |
| Housing and Sustainable Human Settlement Development | 293,937,600 | 150,640,337 | (766,539) | 0 | 443,811,398 | 19,508,528 | 25,210,198 | (668,058) | 44,050,668 | 399,760,730 |
| Agriculture and Environmental Management | 400,840,695 | 80,672,644 | (3,667,552) | 0 | 477,845,787 | 99,185,319 | 13,118,854 | (2,759,273) | 109,544,900 | 368,300,887 |

| Service | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Additions | Disposals and adjustments | Transfers and adjustments | Closing balance | Opening balance | Additions | Disposals, transfers& adjustments | Closing balance | |
| Public Works: | 8,122,668,918 | 2,408,937,091 | (18,123,937) | 46,931 | 10,513,529,003 | 2,293,593,780 | 375,203,557 | (14,157,554) | 2,654,639,783 | 7,858,889,217 |
| Transport | 145,270,106 | 220,472,612 | (701,803) | 0 | 365,040,915 | 19,023,280 | 4,627,897 | (591,752) | 23,059,425 | 341,981,490 |
| Roads and Stormwater | 2,854,462,708 | 562,655,823 | (1,669,569) | 150,810 | 3,415,599,772 | 907,148,249 | 123,354,273 | (1,225,383) | 1,029,277,139 | 2,386,322,633 |
| Water and Sanitation | 2,434,939,583 | 1,176,339,977 | (2,262,413) | 0 | 3,609,017,147 | 617,103,216 | 193,671,617 | (1,889,205) | 808,885,628 | 2,800,131,519 |
| Electricity | 2,687,996,521 | 449,468,679 | (13,490,152) | (103,879) | 3,123,871,169 | 750,319,035 | 53,549,770 | (10,451,214) | 793,417,591 | 2,330,453,578 |
| **TOTAL** | **13,507,826,109** | **3,272,518,106** | **(98,015,719)** | **(1,552,635)** | **16,680,775,861** | **3,408,661,735** | **514,998,940** | **(65,888,605)** | **3,857,772,071** | **12,823,003,790** |

## SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT FOR THE GROUP

| Service | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Additions | Disposals and adjustments | Transfers and adjustments | Closing balance | Opening balance | Additions | Disposals, transfers& adjustments | Closing balance | |
| | R | R | R | R | R | R | R | R | R | R |
| Office of Executive Mayor and City Manager | 122,919,362 | 604,115 | (1,948,769) | (9,362) | 121,565,346 | 12,711,686 | 3,933,373 | (1,598,941) | 15,046,118 | 106,519,228 |
| Financial Services | 73,499,756 | 3,899,727 | (5,053,684) | (38,861) | 72,306,938 | 32,610,781 | 2,358,510 | (3,933,301) | 31,035,990 | 41,270,948 |
| General Assessments | 47,277,352 | 43,142,929 | (13,578,688) | (1,675) | 76,839,918 | 13,964,083 | (3,953,224) | (33,847) | 9,977,012 | 66,862,906 |
| Corporate and Shared Services | 1,789,090,971 | 78,693,492 | (28,388,938) | (212,810) | 1,839,182,715 | 393,776,591 | 51,856,709 | (20,650,583) | 424,982,717 | 1,414,199,998 |
| Community Safety | 361,321,682 | 40,815,005 | (13,571,267) | (146,213) | 388,419,207 | 171,167,171 | (7,113,925) | (11,044,813) | 153,008,433 | 235,410,774 |
| Economic Development | 282,677,426 | 41,551,784 | (1,265,759) | (615,655) | 322,347,796 | 122,006,043 | (17,493,822) | (1,404,694) | 103,107,527 | 219,240,269 |
| Health and Social Development | 142,203,629 | 9,314,485 | (3,247,592) | (59,206) | 148,211,316 | 36,575,833 | 9,596,003 | (2,865,229) | 43,306,607 | 104,904,709 |
| City Planning Development and Regional Services | 49,891,473 | 12,434,603 | (3,283,710) | (249,543) | 58,792,823 | 16,710,828 | 3,603,197 | (2,452,936) | 17,861,089 | 40,931,734 |
| Sport and Recreation | 1,822,078,071 | 401,811,894 | (5,119,284) | (266,241) | 2,218,504,440 | 197,401,556 | 58,679,509 | (4,319,376) | 251,761,689 | 1,966,742,751 |
| Housing and Sustainable Human Settlement Development | 304,341,793 | 150,710,314 | (766,539) | (483,537) | 453,802,031 | 19,732,968 | 25,274,752 | (679,026) | 44,328,694 | 409,473,337 |

| Service | Cost/Revaluation | | | | | Accumulated Depreciation | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Additions | Disposals and adjustments | Transfers and adjustments | Closing balance | Opening balance | Additions | Disposals, transfers& adjustments | Closing balance | |
| Agriculture and Environmental Management | 400,840,695 | 80,672,644 | (3,667,552) | 0 | 477,845,787 | 99,185,319 | 13,118,854 | (2,759,273) | 109,544,900 | 368,300,887 |
| Public Works: | 8,623,824,096 | 2,411,308,789 | (18,123,937) | (474,995,541) | 10,542,013,407 | 2,398,844,523 | 377,973,903 | (111,527,885) | 2,665,290,541 | 7,876,722,863 |
| Transport | 145,270,106 | 220,472,612 | (701,803) | 0 | 365,040,915 | 19,023,280 | 4,627,897 | (591,752) | 23,059,425 | 341,981,490 |
| Roads and Stormwater | 2,854,462,708 | 562,655,823 | (1,669,569) | 150,810 | 3,415,599,772 | 907,148,249 | 123,354,273 | (1,225,383) | 1,029,277,139 | 2,386,322,633 |
| Water and Sanitation | 2,936,094,761 | 1,178,711,675 | (2,262,413) | (475,042,472) | 3,637,501,551 | 722,353,959 | 196,441,963 | (99,259,536) | 819,536,386 | 2,817,965,165 |
| Electricity | 2,687,996,521 | 449,468,679 | (13,490,152) | (103,879) | 3,123,871,169 | 750,319,035 | 53,549,770 | (10,451,214) | 793,417,591 | 2,330,453,578 |
| **TOTAL** | **14,019,966,304** | **3,274,959,780** | **(98,015,720)** | **(477,078,644)** | **16,719,831,721** | **3,514,687,382** | **517,833,841** | **(163,269,904)** | **3,869,251,319** | **12,850,580,403** |

## 4.4.10 Appendix D Consolidated Segmental Statement of Performance for the Year Ended 30 June 2009

| | MUNICIPALITY | | | | | | | GROUP | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | | | | 2008 | | | 2009 | | | | 2008 | | |
| SERVICE | Actual Income | Actual Expenditure | Surplus/ (Deficit) | Adjustment Budget Surplus/ (Deficit) | Actual Income | Actual Expenditure | Surplus/ (Deficit) | Actual Income | Actual Expenditure | Surplus/ (Deficit) | Adjustment Budget Surplus/ (Deficit) | Actual Income | Actual Expenditure | Surplus/ (Deficit) |
| | R | R | R | R | R | R | R | R | R | R | R | R | R | R |
| Office of Executive Mayor and City Manager | 75,634,682 | 382,857,503 | (307,222,821) | (448,370,013) | 21,010,145 | 213,886,730 | (192,876,585) | 75,634,682 | 382,857,503 | (307,222,821) | (448,370,013) | 21,010,145 | 213,886,730 | (192,876,585) |
| Corporate and Shared Services | 51,222,357 | 819,496,216 | (768,273,859) | (875,630,564) | 44,694,749 | 827,909,982 | (783,215,233) | 51,222,357 | 819,496,216 | (768,273,859) | (875,630,564) | 44,694,749 | 827,909,982 | (783,215,233) |
| Economic Development | 173,765,343 | 306,701,466 | (132,936,123) | (156,788,395) | 144,541,237 | 253,129,203 | (108,587,966) | 173,774,646 | 306,702,690 | (132,928,044) | (156,788,395) | 144,541,237 | 253,129,203 | (108,587,966) |
| Financial Services | 118,197,337 | 531,061,493 | (412,864,156) | (458,577,151) | 63,067,055 | 398,306,087 | (335,239,032) | 118,197,337 | 531,061,493 | (412,864,156) | (458,577,151) | 63,067,055 | 398,306,087 | (335,239,032) |
| General Assessments | 3,987,548,837 | 474,925,955 | 3,512,622,882 | 3,960,028,722 | 3,837,436,015 | 1,294,832,825 | 2,542,603,190 | 3,987,548,837 | 474,925,955 | 3,512,622,882 | 3,960,028,722 | 3,837,436,015 | 1,294,832,825 | 2,542,603,190 |
| Housing and Sustainable Human Settlement Development | 148,132,525 | 363,521,729 | (215,389,204) | (20,424,031) | 199,358,970 | 216,619,281 | (17,260,311) | 158,993,621 | 373,284,434 | (214,290,813) | (20,424,031) | 215,857,142 | 242,712,254 | (26,855,112) |
| Sport and Recreation | 38,456,085 | 184,798,970 | (146,342,885) | (165,067,595) | 39,610,992 | 143,362,724 | (103,751,732) | 38,456,085 | 184,798,970 | (146,342,885) | (165,067,595) | 39,610,992 | 143,362,724 | (103,751,732) |
| Community Safety | 141,428,442 | 750,413,498 | (608,985,056) | (674,703,767) | 146,452,724 | 694,193,962 | (547,741,238) | 141,428,442 | 750,413,498 | (608,985,056) | (674,703,767) | 146,452,724 | 694,193,962 | (547,741,238) |
| Agriculture and Environmental Management | 393,864,150 | 942,350,479 | (548,486,329) | (315,241,095) | 338,760,687 | 852,686,963 | (513,926,276) | 393,864,150 | 942,350,479 | (548,486,329) | (315,241,095) | 338,760,687 | 852,686,963 | (513,926,276) |
| Health and Social Development | 68,136,439 | 270,428,274 | (202,291,835) | (243,318,179) | 72,996,348 | 226,519,386 | (153,523,038) | 68,136,439 | 270,428,274 | (202,291,835) | (243,318,179) | 72,996,348 | 226,519,386 | (153,523,038) |
| City Planning Development and Regional Services | 154,704,089 | 161,072,538 | (6,368,449) | (42,361,401) | 68,470,615 | 127,837,863 | (59,367,248) | 154,704,089 | 161,072,538 | (6,368,449) | (42,361,401) | 68,470,615 | 127,837,863 | (59,367,248) |
| Public Works: | 6,287,904,980 | 5,730,956,705 | 556,948,275 | 621,125,286 | 5,211,305,378 | 4,599,442,908 | 611,862,470 | 6,389,370,148 | 5,853,200,046 | 536,170,102 | 621,125,286 | 5,476,056,211 | 4,898,215,394 | 577,840,817 |
| Roads and Stormwater | 214,284,187 | 624,070,329 | (409,786,142) | (399,842,104) | 199,339,151 | 467,443,734 | (268,104,583) | 214,284,187 | 624,070,329 | (409,786,142) | (399,842,104) | 199,339,151 | 467,443,734 | (268,104,583) |
| Transport | 111,667,158 | 107,643,110 | 4,024,048 | 82,967,667 | 54,603,935 | 94,988,363 | (40,384,428) | 111,667,158 | 107,643,110 | 4,024,048 | 82,967,667 | 54,603,935 | 94,988,363 | (40,384,428) |
| Electricity | 3,982,192,620 | 3,576,396,443 | 405,796,177 | 441,037,980 | 3,191,679,242 | 2,709,767,919 | 481,911,323 | 3,982,192,620 | 3,576,396,443 | 405,796,177 | 441,037,980 | 3,191,679,242 | 2,709,767,919 | 481,911,323 |
| Water and sanitation | 1,979,761,015 | 1,422,846,823 | 556,914,192 | 496,961,743 | 1,765,683,050 | 1,327,242,892 | 438,440,158 | 2,081,226,183 | 1,545,090,164 | 536,136,019 | 496,961,743 | 2,030,433,883 | 1,626,015,378 | 404,418,505 |
| **SURPLUS FOR THE YEAR** | **11,638,995,266** | **10,918,584,826** | **720,410,440** | **1,180,671,817** | **10,187,704,915** | **9,848,727,914** | **338,977,001** | **11,751,330,833** | **11,050,592,096** | **700,738,737** | **1,180,671,817** | **10,468,953,920** | **10,173,593,373** | **295,360,547** |

## 4.4.11 APPENDIX E CONSOLIDATED ACTUAL OPERATING REVENUE AND EXPENDITURE PER TYPE VERSUS BUDGET

| DESCRIPTION | Actual R | Budget R | Variance R | Variance % | Explanation of significant Variances (greater than 10%) versus Budget |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| Property rates | 2,299,523,005 | 2,530,500,000 | (230,976,995) | (9.13) | Insufficient budget provision for income foregone actual realised higher than anticipated. Matching between PRO-V and SAP not completed in time |
| Service Charges | 5,749,212,670 | 5,948,707,000 | (199,494,330) | (3.35) | |
| Rental of facilities and equipment | 98,877,333 | 71,756,960 | 27,120,373 | 37.79 | Decrease in public demand owing to economic recession |
| Interest earned – external investments | 125,804,444 | 120,441,000 | 5,363,444 | 4.45 | |
| Interest earned – outstanding debtors | 298,653,352 | 173,624,000 | 125,029,352 | 72.01 | An increase in arrear debtors owing to economic recession, resulting in an increase in levies for interest on arrears |
| Fines | 31,241,834 | 55,160,221 | (23,918,387) | (43.36) | The implementation of AARTO, linked with the recession had a serious impact on income from fines |
| Licences and permits | 28,423,732 | 24,930,991 | 3,492,741 | 14.01 | Major contributor is motor vehicles: economic climate indicated a decline in motor sales over the past months |
| Government grants and subsidies | 2,274,418,557 | 2,667,416,951 | (392,998,394) | (14.73) | Deduction of R3, 8 m from Healthy subsidy for VAT owing to a SARS audit query. Other Opex grants variance of R13,5 m relating to finalising of 2010 SWC rebuilding projects; Top Structure grants R134,5 m budget - no transfer received; PTIS fund (R120 m); report to NT in June with regard to amount withheld and proposed revised project plans for 2009/10 onward (BRT projects) urgent meeting between City of Tshwane and NT to finalise issues; NDPG:R7 m withheld by NT owing to non-spending and problems experienced with National Department of Public Works Service Provider; Housing R46 m not spent - funding withdrawn by Gauteng Housing and Mamelodi Hostels R4,5 m under spent |
| Other income | 590,672,297 | 672,386,146 | (81,713,849) | (12.15) | |
| Public contributions | 226,447,787 | 138,000,000 | 88,447,787 | 64.09 | |
| Gains on disposal of property, plant and equipment | 2,786,173 | 41,301,938 | (38,515,765) | (93.25) | Uncertain income and dependant on asset cleanup and disposal of obsolete assets |
| Gain: Change in fair value of livestock | 2,266,744 | 0 | 2,266,744 | 100,00 | Revaluation of livestock at year end culminated in a gain |
| Gain: Disestablishment of municipal entity | 23,002,905 | 0 | 23,002,905 | 100,00 | Actual realised on the disestablishment of the Municipal entity Roodeplaat Temba Water Services Trust |
| **Total Revenue** | **11,751,330,833** | **12,444,225,207** | **(692,894,374)** | (5.57) | |
| **EXPENDITURE** | | | | | |
| Employee related costs | 3,061,853,987 | 3,281,323,070 | (219,469,083) | (6.69) | |

| DESCRIPTION | Actual | Budget | Variance | Variance | Explanation of significant Variances (greater than 10%) versus Budget |
|---|---|---|---|---|---|
| | R | R | R | % | |
| Remuneration of Councillors | 55,350,803 | 73,992,387 | (18,641,584) | (25.19) | Decrease in remuneration package as promulgated - Gazette for Remuneration was not finalised during adjustment budget |
| Bad debts: contribution | 238,917,368 | 71,359,812 | 167,557,556 | 234.81 | Conservative amount budgeted. Calculation of provision processed at year end only |
| Bad debts: written off | 193,630,109 | 60,414,000 | 133,216,109 | 220.51 | More indigent households were registered which lead to a larger amount being written off |
| Collection Costs | 72,511,251 | 72,780,752 | (269,501) | (0.37) | |
| Depreciation | 502,939,437 | 862,988,273 | (360,048,836) | (41.72) | Decrease due to review of useful lives |
| Asset impairment | 6,901,250 | 0 | 6,901,250 | 100,00 | Impairment due to condition assessment of assets |
| Interest paid | 508,312,549 | 411,961,352 | 96,351,197 | 23.39 | Increase due to more external loans taken up during the financial year |
| Bulk purchases | 2,835,273,617 | 2,789,472,300 | 45,801,317 | 1.64 | |
| Repairs and maintenance | 1,127,185,923 | 942,539,899 | 184,646,024 | 19.59 | Insufficient budget provision and an increase in costs in repair of vehicles by Waste Management; increase in the repairs of Electricity Reticulation |
| Grants and subsidies paid | 9,833,837 | 12,953,000 | (3,119,163) | (24.08) | Decrease in applications submitted by ratepayers and organisations |
| Loss on disposal of property, plant and equipment | 9,069,358 | 11,000 | 9,058,358 | 82,348.71 | Uncertain expenditure. Only nominal amount budgeted |
| General expenses – other | 2,428,812,607 | 2,683,757,545 | (254,944,938) | (9.50) | |
| **Total Expenditure** | **11,050,592,096** | **11,263,553,390** | **(212,961,294)** | **(1.89)** | |
| | | | | | |
| **NET SURPLUS FOR THE YEAR** | **700,738,737** | **1,180,671,817** | **(479,933,080)** | **(40.65)** | |

## 4.4.12 APPENDIX F: CONSOLIDATED SEGMENTAL: ACTUAL OPERATING REVENUE AND EXPENDITURE PER STRATEGIC UNIT VERSUS BUDGET

| DESCRIPTION | Actual R | Budget R | Variance R | Variance % | Explanation of significant Variances (greater than 10%) versus Budget |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| Office of Executive Mayor and City Manager | 75,634,682 | 91,978,327 | (16,343,645) | (17.77) | Under recognition of revenue on Opex grants (SWC 010 due to underspending on projects); Decline in revenue from rental and facilities due to economic climate |
| Corporate and Shared Services | 51,222,357 | 57,160,556 | (5,938,199) | (10.39) | Gains on disposal of PPE decreased as auctions were not held by Disposal Management |
| Economic Development | 173,774,646 | 171,253,875 | 2,520,771 | 1.47 | |
| Financial Services | 118,197,337 | 154,282,000 | (36,084,663) | (23.39) | Decline in interest earned due to cash flow situation |
| General Assessments | 3,987,548,837 | 4,157,063,500 | (169,514,663) | (4.08) | |
| Housing and Sustainable Human Settlement Development | 158,993,621 | 354,383,613 | (195,389,992) | (55.14) | Top structure grants not paid over by Gauteng Housing |
| Sport and Recreation | 38,456,085 | 39,110,820 | (654,735) | (1.67) | |
| Community Safety | 141,428,442 | 153,824,792 | (12,396,350) | (8.06) | |
| Agriculture and Environment Management | 393,864,150 | 427,901,592 | (34,037,442) | (7.95) | |
| Health and Social Development | 68,136,439 | 70,282,183 | (2,145,744) | (3.05) | |
| City Planning Development and Regional Services | 154,704,089 | 126,335,001 | 28,369,088 | 22.46 | Withdrawal of NT capex grant; 30-40% less land use and development applications received due to market forces and economic down-turn |
| Public Works | 6,389,370,148 | 6,640,648,948 | (251,278,800) | (3.78) | |
| Roads and Stormwater | 214,284,187 | 258,567,916 | (44,283,729) | (17.13) | Slower rate of township development due to economic down-turn |
| Transport | 111,667,158 | 244,850,873 | (133,183,715) | (54.39) | Capex grants not received (PTIS 2010 related projects) due to revised plans |
| Electricity | 3,982,192,620 | 4,059,712,501 | (77,519,881) | (1.91) | |
| Water and Sanitation | 2,081,226,183 | 2,077,517,658 | 3,708,525 | 0.18 | |
| **Total Revenue** | **11,751,330,833** | **12,444,225,207** | **(692,894,374)** | **(5.57)** | |
| **EXPENDITURE** | | | | | |
| Office of Executive Mayor and City Manager | 382,857,503 | 540,348,340 | (157,490,837) | (29.15) | Savings in remuneration costs |
| Corporate and Shared Services | 819,496,216 | 932,791,120 | (113,294,904) | (12.15) | Owing to compulsory saving of 10% in expenditure |
| Economic Development | 306,702,690 | 328,042,270 | (21,339,580) | (6.51) | |
| Financial Services | 531,061,493 | 612,859,151 | (81,797,658) | (13.35) | Owing to compulsory saving of 10% in expenditure |

| DESCRIPTION | Actual R | Budget R | Variance R | Variance % | Explanation of significant Variances (greater than 10%) versus Budget |
|---|---|---|---|---|---|
| General Assessments | 474,925,955 | 197,034,778 | 277,891,177 | 141.04 | Provision expense for Employment Benefit ito IAS 19 and additional provision for bad debt and interest on finance leases not budgeted for. |
| Housing and Sustainable Human Settlement Development | 373,284,434 | 374,807,644 | (1,523,210) | (0.41) | |
| Sport and Recreation | 184,798,970 | 204,178,415 | (19,379,445) | (9.49) | |
| Community Safety | 750,413,498 | 828,528,559 | (78,115,061) | (9.43) | |
| Agriculture and Environment Management | 942,350,479 | 743,142,687 | 199,207,792 | 26.81 | Shortfalls on allocated budgets of vehicles and equipment, sites and grounds; Increasing workload; Absorption of Labour Brokers staff into City of Tshwane |
| Health and Social Development | 270,428,274 | 313,600,362 | (43,172,088) | (13.77) | Owing to compulsory saving of 10% in expenditure |
| City Planning Development and Regional Services | 161,072,538 | 168,696,402 | (7,623,864) | (4.52) | |
| Public Works | 5,853,200,046 | 6,019,523,662 | (166,323,616) | (2.76) | |
| Roads and Stormwater | 624,070,329 | 658,410,020 | (34,339,691) | (5.22) | |
| Transport | 107,643,110 | 161,883,206 | (54,240,096) | (33.51) | Owing to compulsory saving of 10% in expenditure |
| Electricity | 3,576,396,443 | 3,618,674,520 | (42,278,077) | (1.17) | |
| Water and sanitation | 1,545,090,164 | 1,580,555,916 | (35,465,752) | (2.24) | |
| **Net expenditure** | **11,050,592,096** | **11,263,553,390** | **(212,961,294)** | **(1.89)** | |
| **NET SURPLUS FOR THE YEAR** | **700,738,737** | **1,180,671,817** | **(479,933,080)** | **(40.65)** | |

## 4.4.13 APPENDIX G ACTUAL CAPITAL EXPENDITURE VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009 (PARENT)

| SERVICE | Actual | Budget | Variance | Variance | Explanation of Significant Variances (greater than 5%) versus Budget |
|---|---|---|---|---|---|
| | R | R | R | % | |
| Office of the Executive Mayor and City Manager | 242,411 | 2,998,201 | 2,755,790,00 | 91.91 | Delay in 2010 Soccer World Cup projects - carried over to 2009/10 |
| Corporate and Shared services | 79,395,876 | 127,673,597 | 48,277,721,00 | 37.81 | Several IT tenders not approved and insufficient funds for call centre establishment |
| Economic Development | 44,754,087 | 47,459,230 | 2,705,143,00 | 5.70 | Delay in approval of bus project. Delay in upgrading buildings owing to contractor in breach of contract. Savings on projects due to lower tender amounts |
| Financial Services | 11,999,098 | 21,025,135 | 9,026,037,00 | 42.93 | Tender process started late in financial year for upgrading of paypoints. Insurance replacement projects are dependent on claims |
| Housing and Sustainable Human Settlement Development | 283,853,459 | 349,737,035 | 65,883,576,00 | 18.84 | Non-implementation of projects due to funds not approved/received from Province. Non-implementation of upgrading of Schubart Park and Kruger Park blocks |
| Sport and recreation | 178,116,173 | 192,378,000 | 14,261,827,00 | 7.41 | Nellmapius Community Centre project could not be implemented - will be re-prioritised in the future years |
| Community Safety | 34,156,054 | 71,068,805 | 36,912,751,00 | 51.94 | Delay in delivery of vehicles |
| Agriculture and Environmental management | 80,396,088 | 81,578,000 | 1,181,912,00 | 1.45 | Dispute resolution regarding the outsourcing of refuse removal emanated in delays |
| Health and Social development | 8,845,268 | 33,198,826 | 24,353,558,00 | 73.36 | Delay in approval of tenders |
| City Planning Development and regional services | 11,189,499 | 19,392,100 | 8,202,601,00 | 42.30 | Delay in phase 2 - to continue in July 2009 |
| Public Works: | 1,952,724,588 | 2,104,489,317 | 151,764,729,00 | 7.21 | |
| Roads and Stormwater | 561,732,384 | 618,503,392 | 56,771,008,00 | 9.18 | Delay in EIA studies |
| Transport | 220,210,388 | 301,142,600 | 80,932,212,00 | 26.88 | Delays in procurement process and MIG funding awaiting business plan approval. Delay in PTIS funded projects (BRT) |
| Electricity | 469,907,238 | 459,364,171 | (10,543,067,00) | (2.30) | Late posting of reservations caused a variation in contractor payments as a result of escalation in material prices |
| Water and sanitation | 700,874,578 | 725,479,154 | 24,604,576,00 | 3.39 | Consultant used incorrect data to calculate escalation which resulted in lower compensation. Closing of sites. Inefficient management of resources by contractor |
| **Net expenditure** | **2,685,672,601** | **3,050,998,246** | **365,325,645,00** | 11.97 | |

## 4.4.14 APPENDIX H DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA (ACT 56 OF 2003)

| Name of Grant | Name of Organ of state or municipal entity | Opening balance | Correction of prior years | Transfers | Quarterly Receipts | | | | | Expenditure | Closing balance | Grants and Subsidies delayed/ withheld | Reason for delay/ withholding of funds | Compliant with the grant conditions in terms of grant framework in the latest DoRA | Reason for non compliance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sept | Dec | March | June | Total | June | | July to June | | | |
| | | R | R | R | R | R | R | R | R | R | R | | | | |
| **Capital Grants:** | | | | | | | | | | | | | | | |
| Economic Development | Gauteng: Sport, Recreation | 1,115,401 | (4,188,662) | 5,714,374 | 0 | 0 | 0 | 1,500,000 | 1,500,000 | 1,466,404 | 2,674,709 | None | None | Yes | n/a |
| National Electricity Fund | National Electricity Regulator | 4,198,110 | 0 | 0 | 0 | 20,000,000 | 40,500,000 | 0 | 60,500,000 | 60,416,253 | 4,281,858 | None | None | Yes | n/a |
| Gauteng Project Linked Housing | Gauteng: Housing Department | 888,441 | (576,492) | 23,786,387 | 576,493 | 0 | 1,500,000 | 134,090,776 | 136,167,269 | 129,596,252 | 30,669,353 | R134,5 m Top structure and R46.0 m other | Under performance | Yes | n/a |
| North West: Project Linked Housing | North West: Housing | 1,922,450 | 0 | (1,922,450) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| Municipal Infrastructure Grant (MIG) | Department: Provincial and Local Government | 35,892,625 | 2,059,725 | (2,960,564) | 85,000,000 | 60,000,000 | 88,602,000 | 53,274,516 | 286,876,516 | 287,295,989 | 34,572,313 | None | None | Yes | n/a |
| Gautrans Job Creation | Gautrans | 5,000,000 | 0 | (5,000,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| Water and Sanitation | Department Water Affairs and Forestry | 0 | 4,326,978 | (6,826,778) | 0 | 0 | 0 | 4,750,000 | 4,750,000 | 2,250,100 | 100 | None | None | Yes | n/a |
| Transportation | Gauteng Department Transportation Engineering | 3,000,000 | 0 | (3,000,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| Eskom | Eskom | 12,953 | 0 | (12,953) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| World Cup Soccer 2010: Roads | Gauteng Department Transportation Engineering | 19,714,916 | 0 | 22,174,683 | 132,000,000 | 0 | 0 | 0 | 132,000,000 | 98,171,247 | 75,718,352 | | | Yes | n/a |
| World Cup Soccer 2010: Transport | Gauteng Department Transportation Engineering | 48,431,252 | 0 | (48,431,252) | 128,000,000 | 0 | 0 | 0 | 128,000,000 | 61,135,957 | 66,864,043 | R120,0 m PTIS funds | Under performance | Yes | n/a |
| Restructuring Grant | National Treasury | 92,272 | 0 | (92,272) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| Unforeseen water problems | Gauteng: Department of Public Works | 7,322,068 | | (2,482,275) | 0 | 0 | 2,686,245 | 0 | 2,686,245 | 7,526,038 | 0 | None | None | Yes | n/a |
| Monument Golf club | Monument Golf club | 0 | 0 | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 2,785,163 | 214,837 | None | None | Yes | n/a |
| Neighbourhood Watch Development | National Treasury | 0 | 0 | 0 | 0 | 0 | 0 | 6,725,126 | 6,725,126 | 0 | 6,725,126 | None | None | Yes | n/a |
| Sandspruit Works Association | Various spheres of Government | 4,282,952 | | | | | | 10,340,446 | 10,340,446 | (944,965) | 13,678,433 | None | None | Yes | n/a |
| | | 131,873,440 | 1,621,549 | (16,053,100) | 345,576,493 | 80,000,000 | 133,288,245 | 210,680,864 | 769,545,602 | 649,698,438 | 235,399,124 | | | | |
| **Operational grants/subsidies:** | | | | | | | | | | | | | | | |
| Health: HIV and Aids | National Department of Health | 1,500,000 | 0 | 0 | 1,500,000 | 0 | 0 | 1,500,000 | 3,000,000 | 2,157,398 | 2,342,602 | None | None | Yes | n/a |

| Name of Grant | Name of Organ of state or municipal entity | Opening balance | Correction of prior years | Transfers | Quarterly Receipts | | | | | Expenditure | Closing balance | Grants and Subsidies delayed/ withheld | Reason for delay/ withholding of funds | Compliant with the grant conditions in terms of grant framework in the latest DoRA | Reason for non compliance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sept | Dec | March | June | Total | June | | July to June | | | |
| Heath Subsidy | National Department of Health | 0 | 0 | 0 | 5,581,400 | 5,581,400 | 5,581,400 | 5,810,160 | 22,554,360 | 22,554,360 | 0 | None | None | Yes | n/a |
| Ambulance subsidy | Provincial Department of Health | 0 | 0 | 0 | 9,475,750 | 9,475,750 | 9,475,750 | 9,950,000 | 38,377,250 | 38,377,250 | 0 | None | None | Yes | n/a |
| Top Structures: Project Linked Housing | North West Housing | 13,385,058 | 1,410,483 | (14,795,541) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| Finance Management Grant | National Treasury | 1,304,687 | 0 | 0 | 750,000 | 0 | 0 | 0 | 750,000 | 539,449 | 1,515,238 | None | None | Yes | n/a |
| Restructuring Grant | National Treasury | 86,693,834 | 0 | 92,272 | 0 | 0 | 0 | 0 | 0 | 45,679,594 | 41,106,512 | None | None | Yes | n/a |
| Municipal System Improvement Grant | National Treasury | 498,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 498,400 | None | None | Yes | n/a |
| Equitable share | Department: Provincial and Local Government | 0 | 0 | 0 | 434,354,708 | 325,766,031 | 575,429,692 | 0 | 1,335,550,431 | 1,335,550,431 | 0 | None | None | Yes | n/a |
| Transportation and Engineering | Department of Transport | 0 | 0 | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 6,446,833 | 1,553,167 | None | None | Yes | n/a |
| Refurbishment of Temba Works | Department of Water Affairs and Forestry | 0 | 500,200 | (500,200) | 502,250 | 740,250 | 512,250 | 380,000 | 2,134,750 | 2,082,188 | 52,562 | None | None | Yes | n/a |
| Department of Water Affairs | Department of Water Affairs and Forestry | 0 | 0 | 0 | 3,188,000 | 2,877,000 | 5,167,000 | 2,135,000 | 13,367,000 | 11,087,000 | 2,280,000 | None | None | Yes | n/a |
| Housing Accreditation | Gauteng Housing Department | 2,936,807 | 334,876 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,271,683 | None | None | Yes | n/a |
| Bontle Ke Botho | Gauteng: Agriculture, Conservation and Environment | 1,457,223 | 0 | 0 | 0 | 0 | 500,000 | 0 | 500,000 | 393,823 | 1,563,400 | None | None | Yes | n/a |
| Arts and Culture | Gauteng: Sport, Recreation | 0 | 0 | 0 | 0 | 4,000,000 | 0 | 0 | 4,000,000 | 3,425,065 | 574,935 | None | None | Yes | n/a |
| Loftus Upgrade 2010 | Gauteng Department of Transport | 48,446,709 | (9,976,340) | 0 | 830,473 | 46,515,253 | 26,450,969 | 1,398,796 | 75,195,491 | 75,386,212 | 38,279,648 | None | None | Yes | n/a |
| 2010 Host Cities | National Treasury | 0 | 0 | 0 | 0 | 0 | 0 | 40,000,000 | 40,000,000 | 0 | 40,000,000 | None | None | Yes | n/a |
| Agriculture | Gauteng Department of Agriculture, Conservation | 440,000 | 0 | 6,250 | 0 | 0 | 0 | 0 | 0 | 440,000 | 6,250 | None | None | Yes | n/a |
| Motor vehicle licences refund | Gauteng Department of Transport | 0 | 0 | 0 | 0 | 0 | 0 | 71,774,940 | 71,774,940 | 71,774,940 | 0 | None | None | Yes | n/a |
| World Cup Soccer: Roads | Gauteng Department Transportation Engineering | 4,238,926 | (22,668) | 1,091,568 | 0 | 0 | 0 | 0 | 0 | 5,163,330 | 144,496 | None | None | Yes | n/a |
| World Cup soccer: Transport | Gauteng Department Transportation Engineering | 43,400,000 | 0 | 25,165,000 | 0 | 0 | 0 | 0 | 0 | 3,608,246 | 64,956,754 | None | None | Yes | n/a |
| Stipends | DBSA | 0 | 0 | 0 | 0 | 0 | 0 | 108,000 | 108,000 | 54,000 | 54,000 | None | None | Yes | n/a |
| Monument Golf Club | Monument Golf Club | 3,000,000 | 0 | (3,000,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Yes | n/a |
| | | 207,301,644 | (7,753,449) | 16,059,349 | 456,182,581 | 394,955,684 | 623,117,061 | 133,056,896 | 1,607,312,222 | 1,624,720,119 | 198,199,647 | | | | |
| **Revenue per Statement of Financial Performance (see note 22)** | | 339,175,084 | (6,131,900) | | | | | | | **2,274,418,557** | | | | | |
| **Unspent conditional grants per Statement of Financial Position (see note 8)** | | | 333,043,184 | | | | | | | | **433,598,771** | | | | |

# 4.5 ACTION PLAN OF THE CITY OF TSHWANE IN RESPECT OF THE AUDITOR GENERAL REPORT 2008/09

## 4.5.1 BASIS FOR QUALIFIED OPINION

### PROPERTY RATES AND CONSUMER DEBTORS

"8. I could not satisfy myself as to the occurrence, completeness and cut off of the amounts (current and corresponding figures) disclosed as property rates of R2, 299 billion (2008: R2, 185 billion) in the statements of financial performance and as to the correct valuation and allocation of consumer debtors of R2, 667 billion (2008: R2, 393 billion) in the statement of financial position, as sufficient and appropriate information could not be provided for audit purposes in respect of the correcting journals processed during the year as well as after year-end, for the correct allocation of revenue to the current and prior financial years."

### City of Tshwane action plan (Financial Services Department, Director: Rates and Taxes)

1. SAP development will be requested to develop a program that will automatically split all the journals on SAP for that financial year. This program will then split journals that impact the 2009/10, 2008/09 and 2007/08 financial years. While awaiting the automated process to be developed, manual processes will be undertaken.
2. Extract all journals done in the new financial year on 30 August 2010 and split retrospectively. A journal split report per financial year will be made available to the Auditor-General on 15 September 2010.
3. On 31 October 2010 another set will be extracted and split per financial year. A journal split report per financial year will be made available to the Auditor-General on 15 November 2010.

## 4.5.2 EMPHASIS OF MATTERS

### GOING CONCERN/FINANCIAL SUSTAINABILITY

"10. While the municipality has prepared financial statements on a going concern basis, there are a number of indicators that its financial sustainability is under threat, as indicated in paragraph 8.4 of the chief financial officer's report. These indicators related to the world economic recession as well as the slow repayment of debtors and a substantial increase in the consumer debtors and creditors amounts from the prior year. Subsequent to year-end the municipality has substantially increased its overdraft facility. Furthermore, the CoT required more funds to ensure that the capital replacement reserve and housing development fund had sufficient cash backing as per its accounting policies.

11. One of uncertaintythe future cash flows of the entity. These conditions cast significant doubt on the entity's ability to continue as a going concern and the entity has not yet finalised a plan to ensure its future sustainability.

    The cash flow and other problems of the Housing Company Tshwane, including the unavailability of information and documentation required for audit purposes, led to a disclaimer of the audit opinion on its financial statements.

12. Civirelo Water, a municipal entity of the CoT, incurred a net loss of R17, 6 million during the year ended 30 June 2009 and as at that date the entity's total liabilities exceeded its total assets by R29, 2 million. These conditions, along with other matters set out in the director's report indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern."

### City of Tshwane action plan (Financial Services Department)

We agree with the finding of the Office of the Auditor-General that it is well known that all entities are currently struggling under the economic downturn. The City of Tshwane as local government is therefore not free from the economic climate and is hugely affected by the non-payment by consumer debtors and the non-payment of government grants by the National and Provincial Government. The City of Tshwane is experiencing cash flow shortages as a result of price increases and the inability of the community to honour their monthly municipal accounts.

Management is doing its utmost to address the current cash flow situation. The following strategies and initiatives were already started:

**i. 2009/10 budget approved on 28 May 2009**

The cash backing of reserves was addressed with the approval of the 2009/10 budget, and a number of strategies were recommended to the Council:

The justification for a strategy towards cash backing is to have separate investments earmarked for specific future indefinite liabilities that may, among other things, provide funding for capital reserves and capital provision for repayment of grants received but not utilised. A phased approach should be followed and managed according to mid-year and year-end figures.

During the draft 2009/10 MTREF a strategy towards the cash backing of the City of Tshwane capital reserves and provisions and unspent conditional grants, as well as the uptake of long-term loans were modelled into the Long-term Financial Strategy to ensure the sustainability of the City of Tshwane over the medium to long term. The strategy was informed by, among other things, relevant GRAP standards, sections 18 and 19 of the MFMA and National Treasury Circular 48.

Furthermore, it is recommended that during the 2010/11 MTREF process the current strategy be extended in taking a further step towards ensuring that all the above are cash backed. It was further recommended that from the 2009/10 financial year, the cash back status be reported on quarterly and be included in the quarterly report to the Council.

### ii. Long-term Financial Strategy (LTFS)

The Long-term Financial Strategy has informed the compilation of the 2009/10 MTREF with the emphasis on affordability and long-term sustainability.

Although the LTFS is predominantly a financial planning tool to ensure long-term financial sustainability for the organisation, the financial planning process and LTFS run parallel to ensure that best practice always informs the strategies and direction of the Municipality. One of the salient features of the LTFS is the attentiveness to ultimate sustainability, not only from a municipal finance perspective, but also relating to service delivery.

### iii. Implementation of intervention initiatives and strategies to manage the cash flow

**2008/09 MTREF**

In accordance with a Mayoral Committee resolution dated 18 March 2009, the following interventions were approved for the 2008/09 financial year:

- A 10% saving in respect of general expenditure according to the 2008/09 adjustments budget
- That no requisitions for capital expenditure (expenditure relating to non-capital items funded in the capital budget, that is, office furniture above R10 000) be submitted to Supply Chain Management after 31 May 2009
- That no requisitions for operating expenditure (expenditure related to non-capital items funded in the operating budget, that is, office furniture below R10 000) be submitted to Supply Chain Management after 31 May 2009
- Any other operating requirements which the City of Tshwane could do without for the remainder of the financial year not be processed.

**2009/10 MTREF**

A report proposing cash flow management intervention initiatives and strategies that can be implemented immediately regarding the cash flow challenges for the 2009/10 financial year was approved by the Mayoral Committee on 16 September 2009. These initiatives include the following:

- Proposed savings on expenditure (managing down expenditure), for example reducing employee-related cost by not filling funded vacancies, reducing identified operational items and reprioritising tenders.
- Implementing interventions for optimal revenue generation such as debt collection through various means.
- Assessing long-term strategic direction on expenditure items such as whether to hire or purchase vehicles.

**Overdraft facility after 30 June 2009**

The City of Tshwane needed to increase its overdraft facility by R300 million after the 2008/09 year end, as the actual revenue received in July showed an under collection of R0,1 billion, and the expenditure was R800 million over the average monthly budget.

During the first three months of the 2009/10 financial year, some creditor obligations were inherited from the previous financial year owing to creditors redeeming their cheques or payments being facilitated in the 2009/10 financial year. Furthermore, the local government strike negatively impacted revenue resources for July. As a result, a temporary unsatisfactory liquidity situation occurred, necessitating bridging finance for working capital.

The Municipality was also owed substantial amounts of money by the different institutions of the state. There were also delays in anticipated payments of grants which also affected the City of Tshwane's cash flow. The fuel levy in terms of the DoRA to compensate for the revenue loss owing to the discontinuation of the RSC levies was received only at the end of September 2009.

The increase in the overdraft facility was a temporary measure and has been reduced to the original facility.

**Cash backing of funds and reserves**

The risk with regard to the cash backing of the Housing Development Fund is minimal, as it will be the first priority on possible repayment and on 30 June the available investments and cash available according to the cashbook would have been sufficient.

The risk with regard to the unspent grants will be addressed with the commitment of these amounts to capital projects as required by National Treasury in terms of MFMA Circular 48. These amounts were already committed to capital projects in the 2009/10 capital budget.

The capital provisions of R204,9 million constitutes the rehabilitation of landfill sites and quarries. These rehabilitations are long term.

The Capital Replacement Reserve is an internal reserve where moneys are set aside for the funding of capital projects. Currently it is not prescribed in any GRAP standard and, according to the guidelines of National Treasury, it should in fact be shown as part of the accumulated surplus. Therefore the cash backing of this reserve needs to be investigated further during the 2009/10 financial year as the accounting policy for the 2008/09 financial year cannot be changed at this point.

Management constantly investigates, reviews and monitors the cash flow status of the City of Tshwane.

### UNAUTHORISED EXPENDITURE AND DEVIATIONS FROM SUPPLY CHAIN MANAGEMENT PROCEDURES

"13 As disclosed in note 45.1 to the annual financial statements an amount of R75 million of unauthorised expenditure was still awaiting authorisation from the council, as required by section 32(2) of the MFMA.

14 The municipality incurred unauthorised expenditure of R477 million in respect of the late approval of the deviation report (not approved before 31 August) as disclosed in note 45.4 to the annual financial statements.

15 Deviations from the official procurement process during the financial year were approved in terms of the delegations as stipulated in the supply chain management policy and amounted to approximately R351 million as disclosed in note 47 to the annual financial statements."

### City of Tshwane action plan (Financial Services Department, Supply Chain Management Unit)

Supply Chain Management will investigate deviations that were approved late, and sensitise and assist user departments to prevent recurring deviations.
Point 15 is a general statement and observations by the Auditor-General that all deviations were approved in line with the Accounting Officer`s delegations and approved Supply Chain Management Policy. This is also disclosed in note 47 of the annual financial statement.

### NON-COMPLIANCE WITH APPLICABLE LEGISLATION

### Municipal Finance Management Act

"22. No financial statements were received for auditing in terms of section 126 (2) of the MFMA for Tshwane Economic Development Agency and Tshwane Centre for Business Information and Support, being municipal entities of the CoT. As such we could not confirm whether these entities had any assets and liabilities that had to be included in the consolidated annual financial statements of the CoT."

### City of Tshwane action plan

**Tshwane Economic Development Agency (TEDA)**

| MFMA | Due date in terms of the City of Tshwane compliance schedule | Responsible person | Date of action | Comments |
|---|---|---|---|---|
| Section 126(2) MFMA<br><br>The municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit the statements to the parent municipality of the entity and the Auditor-General for auditing. | Within two months after the end of the financial year – 31 August of each financial year | Chief Executive Officer of the municipal entity | 31 August 2011 | The City of Tshwane is currently in the final stages of finalising the appointment of the board of directors of TEDA in compliance with the process approved by the Council.<br><br>Once the board of directors is appointed by the Council, the articles of association will be amended and the service delivery agreement between the City of Tshwane and TEDA finalised and signed, and the Chief Executive Officer and staff of the company must be appointed by the board of directors.<br><br>The City of Tshwane will ensure that financial statements are drafted for this financial year and submitted to the Auditor-General for auditing to comply with the legislative provision of |

| | | | | |
|---|---|---|---|---|
| | | | | the MFMA. |

**Tshwane Centre for Business Information (CENBIS)**

| MFMA | Due date in terms City of Tshwane Compliance Schedule | Responsible person | Date of Action | Comments |
|---|---|---|---|---|
| Section 126(2) MFMA<br><br>The municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit the statements to the parent municipality of the entity and the Auditor-General for auditing. | Within two months after the end of the financial year – 31 August of each financial year | Chief Executive Officer of the municipal entity | 31 August 2011 | The City of Tshwane appointed SAB&T Charter Accountants on 30 October 2009 to draft the financial statements of CENBIS for the 2006/07, 2007/08, 2008/09 and 2009/10 financial years, as well as the liquidated financial statements for CENBIS. SAB&T Charter Accountants will also assist the City of Tshwane with the liquidation process of CENBIS.<br><br>The financial statements referred to above will be submitted to the Auditor-General for auditing once they have been finalised. |

## KEY GOVERNANCE RESPONSIBILITIES

"28 The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:"

| Number | Matter | No | Action plan |
|---|---|---|---|
| **Clear trail of supporting documents that is easily available and provided in good time** | | | |
| 1. | No significant difficulties were experienced during the audit concerning delays or the availability of requested information. | ✓ | 1. The City Manager will ensure that all departments submit all performance-related evidence every month.<br>2. Internal Audit will keep all evidence for easy access by the Auditor General.<br>3. The City Manager will ensure that all additional information required by the Auditor General is provided within the required time frames and to the required quality.<br>4. Strategic executive directors will ensure that their departments submit or provide accurate and complete information for audit review in good time. |
| **Quality of financial statements and related management information** | | | |
| 2. | The financial statements were not subject to any material amendments resulting from the audit. | ✓ | 1. The Chief Financial Officer is to put measures in place to ensure qualitative reporting.<br>2. Strategic executive directors will ensure that their departments submit or provide accurate and complete information for audit review in good time. The strategic executive directors will ensure that documents for transactions processed by their departments are accurate, complete, timely and adequately authorised by departments. |
| **Development and compliance with risk management, effective internal control and governance practices** | | | |
| 7. | Internal audit | | |
| | The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. | ✓ | Internal audit is to develop and implement an audit plan that makes optimal use of both its internal and external resources. It will also consider spreading its work throughout the year. |
| 8. | There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management. | ✓ | 1. Internal audit is to advise management on improved internal control and risk management measures. Strategic executive directors will work together with Internal Audit and Risk Management to identify, assess, evaluate and quantify risks and opportunities that impact on the strategic objectives of the City and its Municipal Entities. We will ensure that adequate controls are designed to mitigate risks, and risk monitoring and reporting is continuously performed at Department and Entity level<br>2. The City Manager will ensure that advice of internal audit and the audit committee is implemented by management.<br>3. Internal audit will audit the implementation of the recommendations made to management. |

| Number | Matter | No | Action plan |
|---|---|---|---|
| 9. | There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations. | ✓ | 1. Internal audit working together with the Compliance Section of Governance and Secretariat is to advise management on the improvement of compliance with laws and regulations. Compliance reviews are to be periodically performed to give assurance on the state of compliance by the City of Tshwane and its municipal entities.<br>2. The City Manager will ensure that management implements the advice of Internal Audit and the Audit Committee.<br>3. Internal Audit will audit the implementation of the recommendations made to management. |
| 10. | The information systems were appropriate to facilitate the preparation of the financial statements. | ✓ | 1. The Chief Information Officer (CIO) is to investigate the needs of the Financial Services Department with regard to financial reporting. Working together with Internal Audit and Risk Management, the CIO will identify, assess, evaluate and quantify information technology risks and opportunities that impact the strategic objectives of the City of Tshwane and its municipal entities. Adequate controls are to be designed to mitigate risks, and risk monitoring and reporting will continuously be performed at department and entity level.<br>2. A report is to be provided to the City Manager with detailed milestones and timelines for the investigation process, as well as the support process.<br>3. Internal Audit is to develop and implement an internal audit plan that incorporates information technology, e-governance, e-commerce, system application reviews and information technology governance. |
| 11. | A risk assessment was conducted regularly and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c) (i) of the MFMA. | ✓ | 1. Internal Audit is to include this task with time frames in its audit plan.<br>2. The City Manager will ensure that regular risk assessments are done as advised and required.<br>3. The risk management strategy of the City of Tshwane and its municipal entities is to be reviewed and aligned to ISO 31000. Strategic executive directors and the relevant staff at departments are to be trained on developments in risk management to ensure that best practices are incorporated to strengthen risk management of the City of Tshwane and its municipal entities. |
| **Issues relating to the reporting of performance information** | | | |
| 15. | The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete. | ✓ | 1. The Chief Information Officer is to ensure that the enterprise project system is implemented within the tender time frames in accordance with the tender specifications.<br>2. Supply Chain Management is to prioritise the tender for the EPM system.<br>3. The Chief Information Officer is to provide a report to the City Manager by the end January detailing how the individual performance management system will be integrated with all other systems currently available, and to be acquired, to ensure seamless performance management support to the functions of departments and the Business Planning Monitoring and Evaluation Unit (BPME).<br>4. Internal Audit is to audit the implementation of required IT support to departments and the BPME. |
| 16. | Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information. | ✓ | 1. Draft performance management procedures and guidelines are to be developed by June 2010 by the Business Planning Monitoring and Evaluation Unit.<br>2. The City Manager is to ensure that the procedures are implemented by departments once they are approved by the Mayoral Committee.<br>3. Interim procedures as they are communicated monthly are to be implemented by all departments.<br>4. Internal Audit is to advise the BPME and departments on improvements regularly. |

## REPORT ON PERFORMANCE INFORMATION

### Non-compliance with regulatory requirements: No mid-year budget and performance assessment

"36 No evidence was submitted to verify that the accounting officer of the CoT submitted the monthly budget statements to the mayor of the CoT within 10 working days after the end of each month in terms of section 71(1) of the MFMA.

37 No evidence was submitted to verify that the accounting officer of both Civirelo Water and Sandspruit Works Association (municipal entities of the CoT) submitted to the accounting officer of the CoT the information in respect of the entity's budget in terms of section 87(11) of the MFMA within seven days after the end of each month.

38 No evidence was provided to verify that the accounting officer of Housing Company Tshwane complied with the provisions of both sections 87(11) and 88 of the MFMA in respect of monthly budget statements, mid-year budget and performance assessment.

39 No evidence could be provided to verify that the Housing Company Tshwane complied with the provisions of section 121(4) (d) of the MFMA in respect of performance information."

### City of Tshwane action plan

Governance is to ensure that municipal entities comply with all reporting requirements, and the City Manager is to ensure that all records are kept of reporting for audit purposes. This is to be submitted to Internal Audit every month.

## USEFULNESS AND RELIABILITY OF REPORTED PERFORMANCE INFORMATION

### Reported performance information not relevant

The indicator with regard to public transport was not specific in clearly identifying the nature and the required level of performance, as the method used to measure the performance of public transport did not necessarily give an indication of how the Municipality has increased the accessibility to public buses. As bus tickets sold was used to determine the number of passengers using buses, this could result in the same passengers being included more than once in the calculation. This resulted in an incorrect indication of the improvement of bus usage as required by the key performance indicator (KPI).

### City of Tshwane action plan

This KPI will be re-assessed during the 2009/10 adjusted Service Delivery and Budget Implementation Plan and the 2009/10 IDP process.

### Reported performance information not reliable: Lack of source documents

"42 Sufficient appropriate audit evidence in relation to the reported performance information for the KPI on housing could not be provided for audit purposes."

### City of Tshwane action plan

The Housing and Sustainable Human Settlements Department is to ensure that sufficient and appropriate evidence is supplied monthly with performance reports. Internal Audit is to advise on the appropriate evidence required and ensure that all performance is audited against evidence provided.

### Source information not accurate and complete

"43 The source information or evidence provided to support the reported performance information with regard to various KPI's did not adequately support the accuracy and completeness of facts. Examples included the following:

- Reported information on crime levels was only for eight months and did not cover the entire period, thus information was incomplete.
- Sufficient appropriate audit evidence with regard to the reported information in respect of the KPIs on roads and storm water could not be obtained as the system used was not appropriate to facilitate the preparation of accurate and complete actual performance information.
- Evidence received in respect of solid waste removal, public transport, water, sanitation and households registered as indigents differed from amounts/ percentages reported.
- Evidence submitted in respect of the disaster risk management plan differed from the actual achievement percentage as reported."

### City of Tshwane action plan

The City Manager will ensure that all departments report monthly with appropriate evidence. Internal Audit is to advise management on the evidence required per KPI, and to audit all reports only on evidence submitted.

## 4.6 ACTION PLAN OF THE MUNICIPAL ENTITIES IN RESPECT OF THE AUDITOR-GENERAL REPORT 2008/09

### 4.6.1 HOUSING COMPANY TSHWANE: 2008/09 AUDIT FINDINGS AND ACTION PLAN

| Section | Audit Finding | Recommendation | Management Response | Action Plan | Target date |
|---|---|---|---|---|---|
| 17 | 1. Sufficient audit evidence not obtained in respect of opening balances | Management should review the balances as at 30 June 2008 and, if considered necessary, year adjustments should be made beforehand to correct the financial statements. Workings should be submitted for auditing. | Agreed. The situation remains unchanged with respect to Schubart Park and Kruger Park (rental income and receivables), and the monthly payroll subsystem reconciliation to the GL was difficult to achieve since staff could not be paid on time (cash flow problems), for example, and as a result the accounting activities lacked behind month on month. | Appoint full-time Finance Manager<br><br>Review 2007/08 and 2008/09 annual financial statements to correct balances<br><br>Engage Internal Audit on corrections<br><br>Seek board approval of corrections | 30 March 2010<br><br>M Gaffane |
| 20 | 2. Going concern | Management should provide supporting evidence to indicate that the company is a going concern and, where this is not possible, adequate disclosure should be made in the financial statements regarding the going concern of the company. | Agreed. | The company's future operations are not guaranteed. Only a structured financial rescue package from the City of Tshwane for at least three financial years, coupled with specific performance agreements, can rescue HCT. | Work in progress. Target dates and outcomes unknown at this stage. |

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| | 3. CONTROL ENVIRONMENT AND INTERNAL CONTROL FRAMEWORK | | | | |
| 21 | 3.1. Agreements not signed | City of Tshwane to intervene urgently | We agree with the audit findings. The service delivery agreement (SDA) was finalised by the City of Tshwane and Housing Company Tshwane board of directors on 11 November 2009. | Ensure that the SDA is approved by the Council for signature by the City Manager. | SDA completed, will be at January 2010 [Council meeting.<br><br>M Phora and M Gaffane |
| 23 | 3.2. Lack of control and weaknesses in control environment | HCT board and City of Tshwane to attend to this urgently | Management agrees with the audit findings. The fact that key positions in the company are not filled at, all or are filled with temporary staff, could result in the following:<br>- A lack of effective monitoring controls.<br>- Company policies and procedures not being approved by the board.<br>Proper segregation of duties does not exist owing to limited resources. | | 31 March 2010<br><br>Contingent on funding being made available to fill critical positions |
| 25 | 3.3. Lack of governance structure | City of Tshwane and HCT management to ensure compliance with all laws and regulations | Audit findings correct. | Ensure compliance with all laws | Ongoing<br><br>M Gaffane |
| 27 | 3.4. Non-compliance with section 95(c)(i) of the MFMA – ineffective internal controls | Management to ensure that internal controls are efficient and effective in accordance with section 95(c)(i) of MFMA | Agreed. | Ensure compliance with all laws | Ongoing<br><br>M Gaffane |
| | 4. REVENUE AND RECEIVABLES | | | | |
| 29 | 4.1 Supporting documents not provided for audit | That company structure, operations, risks, management, sustainability and performance be reviewed by the HCT board and the City of Tshwane as a matter of urgency | At some point during the audit (29 September to 14 October 2009), and as a result of the compan assets (furniture and computers) being attached and removed by the Sheriff of the Court, management could not furnish additional and/or required information since the office was practically closed. | None. Assets have since been recovered. | Completed |
| 31 | 4.2. Lack of supporting information – trade receivables | That company structure, operations, risks, management, sustainability and performance be reviewed by the HCT board and the City of Tshwane as a matter of urgency | The information could not be provided at the time it was needed for audit purposes. The office was not functional, and management could not access the office network to retrieve the required information. | Strategic review of company structure, operations, risks, sustainability and performance | 31 March 2010 |
| 32 | 4.3. Lack of controls over lease agreements with tenants | All rental agreements should be kept as part of the accounting records of the company | All the identified lease agreements are for Schubart Park and Kruger Park. The problem is historic, and has never been resolved despite management's efforts to regularise the correctness and validity of leases at the two | | |

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| | | | complexes. This problem does not affect the Eloff estate. | | |
| 34 | 4.4. Register of tenants and parking register not complete | Management to implement controls to ensure that the tenants' register and the parking rental register are maintained regularly | Audit finding correct. Once again the identified problems affect Schubart Park and Kruger Park. The problem is historic, and has never been resolved despite management's efforts to regularise the correctness and validity of leases at the two complexes. | The Schubart Park register of tenants cannot be updated at present. The building is hijacked, and both HCT and City of Tshwane staff face a real and serious threat to their lives when working at the complex. | Not determined. The building has been condemned, and the City of Tshwane is engaged in a legal process to have the building evacuated. |
| 35 | 4.5. Amounts on the tenant register do not agree with the invoices | Management to implement controls to ensure that the tenants' register and the parking rental register are maintained regularly. | The completeness and accuracy of tenant information (in accordance with the lease agreements) remains problematic. Illegal occupancy and the constant fluidity of tenants at Schubart Park, as well as management's inabilit to render property management services at Schubart Park in particular, are the main causes of this problem.<br><br>Policies related to reliable financial reporting are established and communicated throughout the entity, yet management directives cannot be carried out at Schubart Park since the building is hijacked and extremely difficult to manage. Therefore, officials of the Housing Company Tshwane and the City of Tshwane cannot operate at Schubart Park as it is unsafe to do so Staff members have been assaulted and threatened by gangsters who have effectively hijacked the building. | This exercise cannot be completed at this point. The building is hijacked, all previous attempts to do regular lease/tenant audits have failed owing to staff intimidation, assaults and general lawlessness at Schubart Park and Kruger Park. | Not determined.<br><br>Existing records are outdated, incomplete and unreliable. |
| 37 | 4.6. Lack of supporting documents – parking income | Management should implement controls to ensure that parking rental is recorded accurately and completely. | Written procedures exist, and authorisations, record keeping, management reviews, and asse safeguards are segregated to a limited degree (staff shortages).<br><br>Parking rental remains problematic to administer at Schubart Park for reasons alluded to under "lease agreements" above. | This exercise cannot be completed at this point. The building is hijacked, all previous attempts to do regular lease/tenant audits have failed owing to staff intimidation, assaults and general lawlessness at Schubart Park and Kruger Park. | Not determined.<br><br>Existing records are outdated, incomplete and unreliable. |
| 39 | 4.7. Allowance for credit losses not calculated in terms of IAS 39/ (AC133): financial instruments | Management should formulate a policy in respect of the allowance for credit losses which is in accordance with SA GAAP | The 2008/09 AFS are not compliant with all aspects of SA GAAP and/or other accounting standards. The company's board has already approved the filling of critical vacancies permanently to ensure that the right competencies are assigned to each function in the company. | | |
| 40 | 4.8. Accounts receivable is not recoverable | Management to implement controls to ensure that the tenants' register and the parking rental register are maintained regularly. | Agreed. The recoverability of the debtors balance remains questionable. It should be note that this affects Schubart Park and Kruger Park in the main. | Seek board and shareholder approval to write off Kruger Park- Schubart Park irrecoverable debts of about R35 million as at 30 June 2008. | 31 March 2010<br><br>M Gaffane |
| 41 | 4.9. Overstatement of expenses | Management should investigate the reason for the above and | Agreed. | Adjust overstatement | 31 March 2010<br><br>M Gaffane and |

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| | | adjust the accounting records accordingly | | | Finance Manager (once appointed) |
| 42 | 4.10. Revenue recognition not in terms of SA GAAP | Management should quantify the significance of the finance income portion annually to assess whether it should be separately disclosed in the financial statements | Agreed. | Quantify the significance of the finance income portion annually to assess whether it should be disclosed separately in the financial statements. | 31 March 2010<br><br>M Gaffane and Finance Manager (once appointed) |
| | 5. PROPERTY, PLANT AND EQUIPMENT | | | | |
| 43 | 5.1. Non-compliance with Generally Recognised Accounting Practice (GRAP) | The company should re-assess the useful lives, depreciation method and residual values of property, plant and equipment annually and document the results of the assessment | Agreed. | Re-assess the useful lives, depreciation method and residual values of property, plant and equipment annually and document the results of the assessment | 31 March 2010<br><br>M. Gaffane and Finance Manager (once appointed) |
| 44 | 5.2. Reconciliation between the fixed asset register and the general ledger | Management should ensure that a detailed reconciliation is prepared between the fixed asset register and the general ledger and any differences investigated and cleared. | Agreed | Reconcile the fixed asset register and the general ledger and investigate and clear. | 31 March 2010<br><br>M Gaffane and Finance Manager (once appointed) |
| 45 | 5.3. Depreciation calculation for assets acquired in previous years not available for inspection | The fixed asset register should be updated with the assets carrying values and that the depreciation for the year according to the fixed asset register be reconciled with the general ledger. | Agreed | Update the fixed asset register with the assets carrying values. The depreciation for the year according to the fixed asset register to be reconciled with the general ledger. | 31 March 2010<br><br>M Gaffane and Finance Manager (once appointed) |
| 46 | 5.4. Valuation of property – formerly investment property | Management should ensure that where the accounting policy of the company is changed, the required approvals are obtained. Furthermore, evidence to support all calculations for the valuation of investment property should be made available for audit | Agreed | Obtain board approval of the new accounting policy | 31 March 2010<br><br>M Gaffane |
| 47 | 5.5 Removal/ repossession of assets of the company | Management should ascertain the possibility of recovery of the assets and, if not recoverable, the financial statements should be adjusted. | Agreed. The assets were recovered on 9 November 2009. | None | Task completed |
| | 6. CASH AND CASH | | | | |

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| | EQUIVALENTS | | | | |
| 48 | 6.1. Bank reconciliations not available for audit | Management should ensure that all reconciliations are made available for audit | Agreed. | Reconcile all financial entries as they occur | Ongoing<br><br>M. Gaffane and staff responsible for Financial Management |
| | 7. TRADE AND OTHER PAYABLES | | | | |
| 49 | 7.1. Lack of supporting information – Trade and Other Payables | Management should ensure that supporting documents are maintained to support the accounting records | Agreed. | | |
| 50 | 7.2. Incorrect calculation of provision for employee cost | The 15% of the annual salary should be approved in writing by the board of directors. Calculations for provisions should be reviewed. | Agreed. | | |

## 4.6.2 CIVIRELO WATER: 2008/09 AUDIT FINDINGS AND ACTION PLAN

| Matters raised in the Auditor-General's report | Action to be taken | Date | Remarks |
|---|---|---|---|
| 1 Civirelo's status as a going concern | This is brought about by the deregistration and non-payment of outstanding funds by Tshwane. | The corrective action has started and is ongoing. | This issue will be resolved when fees owed by the City of Tshwane are paid over to Civirelo. |
| 2 (3) Income tax. The entity is not registered with SARS as an employer. | The registration process is to continue. Civirelo is deducting tax from the remuneration of directors and other employees. | The corrective action has started and is ongoing. | |
| 3 (4) No risk register maintained. | The risk assessment policy will be provided by Tshwane. All entities are to use similar templates. | February 2010 | Auditing guidance of template from Tshwane. |
| 4 No evidence of disclosure forms being signed by directors. | Done | Done | |
| 5 (6) Non-compliance with municipal systems | See points 2 and 3 above. | | |
| 6 Internal audit function | The internal audit function of Civirelo is the responsibility of the City of Tshwane. The City of Tshwane has audited Civirelo. | Ongoing. | Awaiting the City of Tshwane. |
| 7 (8) The strategic plan and annual performance information report are inadequate. | The board is to meet to align and develop a strategic plan in line with performance objectives. | To be decided by the board in February 2010. | |
| **Other important matters** | | | |
| 1 Deferred income | Civirelo is to adopt a project linked to financial management. | Date to be decided by the board. | Must be part of the strategic planning meeting. |
| 2 Required documents for bursary payments are not available. | Bursary fund not continuing next year | The acting CEO is to call or write a letter to the Executive Mayor requesting a meeting to discuss student bursaries. | |
| 3 Long-outstanding reconciling items on bank reconciliations | Management is to implement procedures to ensure that bank reconciliations are done monthly. | December 2009 | Done |
| 4 Supporting documents not provided | Management will ensure that all slips are signed, copied and sent to the JTC. | Done | |
| 5 Petty cash voucher not approved | Petty cash voucher not signed by the CEO. | Done | Petty cash reconciliation balanced for the month. |

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| 6 Age analysis not correctly done | Management to correct the creditors' age analysis | | JTC, Harry Smal and Kedibone Mooi to meet and implement this process. |
| 7 No evidence of approved journal entries | CEO to sign for the journal entries. | | JTC and the CEO Kedibone Kekana Mooi |
| 8 Audit Committee did not review financial statements by 31/08/09. | The City of Tshwane audit did not meet before the date of submission of the financials to the Auditor-General. | | Tshwane to implement |
| 9 Non-compliance with legislation | Corrective action taken. | 31/08/09 | |
| 10 Policies and procedures for reporting on performance information not documented and approved. | Civirelo submitted reports monthly, quarterly and annually as required by the City of Tshwane. | | The audit requires the development of SOPs and policies in line with the strategy. |

## 4.6.3 SANDSPRUIT WORKS ASSOCIATION: 2008/09 AUDIT FINDINGS AND ACTION PLAN

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| Annexure A.5 | Input tax incorrectly accounted for | The accounting system should be updated to enable the Sandspruit Works Association to correctly account for input tax based on the basis of payment. Management should correct the VAT liability as at year end. | The matter will be taken up and confirmed with the Receiver of Revenue, as the SWA has traditionally claimed input tax on the invoice basis and not on payments made.<br>Payments to suppliers are traditionally made within 30 days. | Admin Manager | Both input and output VAT calculations are based on payments made and income received in accordance with Vat 149 guideline for municipalities.<br><br>Completed | Peter Kungwane<br><br>31 January 2010 |
| Annexure A.6 | Input tax claimed on incomplete tax invoices where the consideration is over R3 000 | The Sandspruit Works Association should issue a memo to all its suppliers informing them of their VAT number to ensure compliance with section 20(4) of the VAT Act. Furthermore, payments should not be processed without a proper tax invoice. Training can be provided to staff to refresh their VAT knowledge regarding certain compliance issues such as proper tax invoices. | The recommendation will be implemented. The invoices will be followed up and proper tax invoices will be acquired. | Admin Manager | We are currently ensuring that all suppliers present invoices showing the suppliers' VAT registration details.<br><br>A refresher course to this effect will be organised early in 2010. | Peter Kungwane<br><br>Ongoing<br><br>31 January 2010 |
| Annexure B.3 | A list of reconciling items could not be presented for audit. | Management should clear the reconciling items monthly. Furthermore, controls should be implemented to ensure that payments received can be matched to moneys deposited at the bank to avoid the reconciling items. | The system does not support a process whereby a list of reconciling items can be listed once the items have been reconciled. | Admin Manager | Bank reconciliations will be saved in electronic format to ensure that the list of reconciling items is always available for inspection. | Peter Kungwane<br><br>31 March 2010 |
| Annexure B.4 | | | | | | |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| | Bank reconciliation not signed or reviewed. | Management should have control activities in place to ensure that all bank reconciliations are reviewed and approved by the appropriate level of management. | A change in senior personnel resulted in the bank reconciliations not being reviewed and approved. The financial manager will ensure that bank reconciliations are reviewed and approved in future. | Admin Manager | All the reconciliations will be reviewed and approved by relevant officials to evidence control measures in place. [ | Peter Kungwane<br><br>31 January 2009 |
| Annexure B.5 | Long-outstanding reconciling items on accounts receivable for reconciliation | Management should begin to clear these reconciling items to ensure that the age analysis and individual customers' accounts are correct<br>Controls should be implemented to ensure that payments received can be matched to moneys deposited at the banks to avoid the build-up of these reconciling items. | The amount of R573 168,28 refers to the previous financial year and relates mostly to unmatched direct deposits.<br><br>All amounts that have been prescribed will be identified and written off to income after approval from the board of directors. | Admin Manager | Long-outstanding amounts will be recognised as income after approval by the board.<br>All other amounts will be reconciled to bank deposits. | Peter Kungwane.<br><br>31 March 2010 |
| Annexure B.7 | Assets could not be traced to the asset register | Management should implement appropriate controls to ensure that an asset's bar code is recorded in the asset register. Assets should be easily traceable to the asset register. | The process to identify assets and verify whether they are captured in the assets register could not be successfully achieved because the asset scanner malfunctioned. We have requested the assistance of the AccPac consultant to pursue this exercise manually. | Admin Manager | The process to ensure completeness and accuracy in recording and managing assets is being investigated by the consultant. | Peter Kungwane<br><br>30 March 2010 |
| Annexure B.8 | Evidence of authorisation and supporting documents for journal entries not provided | Management should ensure that all journal entries are signed as proof of authorisation and that the supporting documents are attached | All journals will be signed in the future as proof of review. | Admin Manager | Journal documents will be authorised and supporting documents will be attached.<br><br>Implemented | Peter Kungwane<br><br>Done |
| Annexure B.9 | Fully depreciated assets are still in use and useful lives not revised | The useful lives and residual values of the assets should be revised to reflect the benefits derived from the use of the assets. This revision needs to be considered annually for all assets in terms of GRAP 17, *Property, plant and equipment*. | The useful lives were reviewed, but not adjusted on the asset register, as the changes made had no effect on any of the financial information.<br><br>This has been reported to the consultants to review and update the asset register software package. | Admin Manager | The revision of residual values and useful lives of assets will be done annually in accordance with GRAP requirements. | Peter Kungwane<br><br>30 June 2010 |
| Annexure B.10 | Supporting documents provided for disposal of a vehicle not adequate | Management should review the documents submitted to the audit team and provide us with an explanation of the discrepancies noted. | Management is unable to provide an explanation with regard to the differences, but will continue with the investigation. | Admin Manager | The documents are lost and cannot be traced. | Peter Kungwane |
| Annexure B11 | | | | | | |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| Annexure B.12 | Invoices are not stamped paid | The signatories of cheques should inspect the invoices to ensure they are stamped paid when they receive the payment packs to ensure that they are not presented for payment twice. | All invoices will be stamped paid when submitted for payment in future. | Admin Manager | The recommendation from the auditors is being implemented.<br><br>Done | Peter Kungwane<br><br>Ongoing |
| Annexure B.13 | Unallocated deposits not cleared in good time | Management should implement controls to ensure that the deposits are cleared in good time and allocated to the relevant customer account. The deposit has been uncleared since 2003 and management should rectify the account by either writing off the amount to income in terms of the Prescription Act or allocating it to the relevant customer account. | The amount of R415 226 has not been identified in spite of all efforts to identify it. The amount refers to the previous financial year and relates mostly to unmatched direct deposits. All amounts will be written off to income once approved by the board of directors. | Admin Manager | The amount is carried over from previous financial periods and will be recognised as income on approval by the board. | Admin Manager<br><br>30 April 2010 |
| Annexure B.14 | Accounts payable subledger does not agree with the general ledger control accounts | Management should review the subledger account and provide a reconciliation between the accounts payable subledger and the general ledger. The reconciling items should be supported by appropriate supporting documents. | The differences will be investigated and reconciled. | Admin Manager | Accounts payable and GL will be reconciled monthly to avoid a recurrence of this mistake. | Peter Kungwane<br>31 March 2009 |
| | Long-outstanding balance not settled | Management should follow up on the balance owed to Eastern Platinum Ltd and clear it as soon as possible. The payments to the suppliers should be made within the credit terms, that is, 30 days of the invoice date and within the requirements of the MFMA. | The outstanding invoices were processed as a provision for water supply to the Madibeng area in respect of water supplied by Rand Water. The invoicing should have been done by Rand Water and was not effected. The matter has finally been resolved between Rand Water and Eastern Platinum Mines and the provision will be reversed on receipt of invoices from Rand Water substantiating invoicing. | Admin Manager | The matter will be resolved on receipt of invoices from Rand Water indicating that Eastern Platinum has been billed. | Peter Kungwane<br><br>31 January 2010 |
| | Fixed asset clearing account not cleared at year end | Management should implement controls to ensure that the fixed asset clearing account is appropriately cleared monthly. The above balance should be | The account could not be cleared on time owing to a lack of competent human resources capacity. However, the account was cleared in July 2009 and will be cleared monthly. | Admin Manager | The clearing accounts will be cleared monthly to avoid a recurrence of what happened in 2009.<br><br>Done | Peter Kungwane<br><br>Ongoing |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| | | investigated and appropriate correcting entries should be passed to the correct accounts. | | | | |
| | Accruals raised based on orders. | Management should account for accruals when the liability definition is met. | Noted. The provisions were raised on the understanding that official orders furnished to suppliers were binding in respect of service delivery on both parties and expenses had to be incurred in the correct accounting period. The possibility of cancellation of orders was looked into and assessed as follows:<br><br>UMS – They are the sole suppliers of restricting devices until the expiry of their service tender.<br><br>Valvomatic – They are the sole preferred bulk water repair and installation specialists. | Admin Manager | The provisions for 2009 were reversed in 2009. In future provisions will be accounted for when the liability definition is met. | Peter Kungwane<br><br>30 June 2010 |
| Annexure B.18 | Intercompany accounts between ODI and Waste Water Treatment (WWT) | Management should investigate the differences between the two accounts and appropriate entries should be processed to ensure the two accounts are equal and cancel each other out at year end. | We are in the process of reconciling and investigating the differences in terms of the intercompany account | Admin Manager | The intercompany accounts will be reconciled monthly to ensure that the balances in both the SWA and WWT are in sync. | Peter Kungwane<br><br>28 February 2010 |
| Annexure B.19 | Salaries control account not cleared at year end | The salary control account should be appropriately cleared monthly. | The balance will be investigated and the amount cleared. | Admin Manager | Amounts cleared monthly.<br><br>Done | Peter Kungwane<br><br>Ongoing |
| Annexure B.22 | Input tax was recovered on tax invoices relating to entertainment | The system should be updated to ensure that input tax is not claimed on any goods or services acquired for entertainment in terms of section 17(2) of the VAT Act. In addition, it is proposed that training be provided to staff members dealing with VAT to ensure that they understand whether input tax can be claimed or not. | The above invoices were an oversight from staff dealing with creditors, as most of the invoices processed for the same supplier had been treated correctly.<br>Management will, however, investigate alternatives to ensure that input tax is not claimed on entertainment in future. | Admin Manager | A concerted effort is being made to ensure that input tax is not claimed on invoices relating to entertainment. Invoices will be screened by senior personnel before processing.<br><br>Done | Peter Kungwane<br><br>Ongoing |
| Annexure B.23 | Income received in July 2009 in accordance with the bank statements was incorrectly | The affected tax periods should be reconciled with bank statements per transaction to fully account for output tax. Furthermore, additional controls should be | The recommendation will be implemented. | Admin Manager | The bank accounts will be reconciled before finalising month-end processing to ensure that discrepancies are detected and rectified in the correct accounting period. | Peter Kungwane<br><br>31 December 2010 |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| | captured in the June 2009 tax period | implemented to ensure that the capturing process is correct. | | | 31 December 2009 | |
| Annexure C.7 | Authority billing incorrectly calculated | Management should revise the calculation and include the amount in the latest invoice to recover the amount based on the actual kilolitres. | The recommendation will be implemented | Admin Manager | The calculation was revised.<br><br>Done | Peter Kungwane |
| Annexure C.8 | Supporting documents not provided for a creditor with a debit balance | Management should investigate the balance and provide the appropriate supporting documents to substantiate a creditor's debit balance. | This discrepancy surfaced after the correction of the creditor ageing process on Acc Pac in May 2009. The software consultant has been unable to track the origin of the entry and the adjustment was processed in September 2009. | Admin Manager | Creditors balances are reconciled monthly to ensure that discrepancies are detected early and the necessary adjusting entries are processed.<br><br>31 January 2010 | Peter Kungwane<br><br>31 January 2010 |
| Annexure C.9 | Output tax is incorrectly declared on exempt supplies such as interest received from debtors | Procedures should be implemented to eliminate the amount of interest recovered per month and output tax should be declared on receipts excluding interest. Management should also consider recovering the output tax declared retrospectively for five years. | Management acknowledges the recommendation by audit, but the process and system to be implemented to do a detailed analysis of the interest portion of a payment received from a consumer is a complex and difficult calculation and can only be driven by the computerised billing system.<br>A workgroup to investigate the current implementation for such a system, as well as to evaluate the possibility of calculating the retrospective period of five years, will be formed with the supplier of our current billing system, MicroMega. | Admin Manager | A workgroup has been established to evaluate the implementation of the recommendation by the audit team. The group includes MicroMega representation to ensure that the process is systems driven.<br><br>30 March 2010 | Peter Kungwane<br><br>30 March 2010 |
| Annexure C.10 | Apportionment calculation not performed | This exercise should be performed annually to ensure that the level of exempt supplies does not exceed 5% of total income. | Recommendation will be implemented | Admin Manager | The calculation will be done regularly.<br><br>30 June 2010 | Peter Kungwane<br><br>30 June 2010 |
| Annexure A.1 | Internal auditors are not effective in terms of the MFMA | Management should engage the internal auditors to perform the internal audit function as required in terms of the MFMA. | Management requested the Internal Audit Department of the City of Tshwane to include an assessment in terms of section 165(2) of the MFMA during the financial year, but owing to capacity constraints they were unable to do the assessment.<br><br>Management will engage with | Finance Manager | Internal auditors are implementing the audit function as required by the MFMA.<br><br>The risk analysis has been performed, and an internal audit will be done early in 2010. | Pieter Avenant<br><br>March 2010 |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| | | | the Audit Department to perform the internal function as required in terms of the MFMA during the new financial period. | | 30 March 2010 | |
| Annexure A.2 | Non-compliance with section 95(c)(i) of the MFMA – ineffective internal controls | Management should ensure that internal controls are efficient and effective as required by section 95(c)(i) of the MFMA. | Refer to our last meeting on 3 November 2009 and the contents of the documents. The responses are provided in the document unless additional information is required.<br>• Under Segregation of duties: see page 26 of the management report<br>• Lack of controls over new connections: see page 30 of the management report<br>• Asset could not be traced to fixed asset register: see page 32 of the management report<br>• Invoices not stamped: see page 38 of the management report<br>• Control accounts not cleared: see page 40 of the management report | Finance Manager | Management has engaged the services of a consultant to assess the internal controls and to compile a proposal that has to be implemented as part of the monthly control functions.<br><br>The skills will be transferred to a permanent employee for implementation.<br><br>30 March 2010 | Pieter Avenant<br><br>March 2010 |
| Annexure A.3 | Supply chain management policy does not comply with chapter 2 of the SCM regulations | Management should amend the supply chain management policy to incorporate all the required systems to ensure compliance with the SCM regulations. | Management is in the process of appointing a Procurement Manager that will be responsible to formulate and document all systems in respect of the Supply Chain Regulations. | Finance Manager | A procurement Manager will be appointed to take responsibility of formulating and updating the Supply Chain Management Policy.<br><br>30 March 2010 | Pieter Avenant<br><br>March 2010 |
| Annexure A.4 | Non-compliance with the Municipal Systems Act | Management should implement controls to ensure compliance with the MSA and all other applicable laws and regulations. | The recommendation will be implemented where the adherence of the MFMA is within the control of the board. | Finance Manager | Implementation of all controls as required.<br><br>30 June 2010 | Pieter Avenant<br><br>June 2010 |
| Appendix B.1 | No contracts could be presented to support the deferred revenue recognised | • Management should ensure that formal contracts are in place to support the amounts above.<br>• Management should consider whether the | Projects 15910 and 15915 are projects that were engaged into through Rand Water before 2005, and we are unable to obtain any documents in respect of these projects. | Finance Manager | The two projects will be assessed and money spend in relation to the original intention of the project.<br><br>30 April 2010 | Pieter Avenant<br><br>April 2010 |
| Annexure | | | | | | |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| B.17 | | amounts have already been spent to ensure that expenses and income are not misstated. | | | | |
| Annexure B.25 | Interest income not recorded appropriately (the previous year is not correct) | Management should be recognising the interest income earned/receivable on the balance of the debtors' account in the statement of financial performance. | Interest in respect of Madibeng was not reflected in the income statement because this has a direct negative effect on the cash flow claim from the City of Tshwane.<br><br>The amount will be reversed in the new financial year. | Finance Manager | The interest will be recognised in the income statement as proposed.<br><br>30 March 2010 | Pieter Avenant<br><br>March 2010 |
| Annexure B.26 | Lack of approved policies and procedures | A policy and procedures manual should be established, approved by the board and communicated to all staff members. | Management is still in the process of appointing a consultant to assess all policies and procedures for the divisions mentioned. | Finance Manager | Tender process will be implemented to appoint consultant to assess all policies and procedures.<br><br>June 2010 | Pieter Avenant<br><br>June 2010 |
| Annexure B.27 | Audit committee did not review financial statements by 31 August | Management should ensure that the financial statements are reviewed by the audit committee before they are presented to the auditors and the City of Tshwane. | The Audit Committee has been established by the City of Tshwane for three of its entities, and is managed and controlled by the Governance and Secretariat Services Unit of the Joint Office of the Executive Mayor and City Manager. | Finance Manager | Recommendation has been referred to the City of Tshwane Audit Committee.<br><br>November 2009 | Pieter Avenant<br><br>November 2009 |
| Annexure B.28 | Non-compliance with *Government Gazette* Notice 30013. | Management should ensure that the MFMA and *Government Gazette* notices related to the company are complied with in all instances. | In view of the letter written by management and the response to by National Treasury, management takes note of the response and undertakes to adhere in the new financial year. | Finance Manager | Letter was submitted late. Will ensure compliance with *Government Gazette* notices.<br><br>Done | Pieter Avenant |
| Annexure C.5 | Policies and procedures for reporting on performance information not documented and approved | Management should formulate policies and procedures which ensure that the performance information reported is accurate, complete and valid. These policies and procedures should be in writing and should be approved by the company's management. | In view of the letter written by management and the response to by National Treasury, management takes note of the response and undertakes to adhere in the new financial year. | Finance Manager | Will form part of the management engagement of the services of a consultant to assess the internal controls and to compile a proposal that has to be implemented as part of the monthly control functions. | Pieter Avenant<br><br>June 2010 |
| | CIPRO records not updated with the details of the current external auditors | Management should obtain the CM31 signed by both old and current external auditors, lodge this document with CIPRO and ensure that the information is updated | The documenting of the performance information system will form part of the assessment through a consultant of all systems in respect of all SWA policies and procedures.<br><br>The CM31 in respect of the resignation of CF Terhoeven as auditors was presented to CIPRO by our Secretary in 2007, and a follow up revealed that the document was not processed by CIPRO because they had not received the CM31 | Finance Manager | Will obtain document from the AG for submission.<br><br>30 March 2010 | Pieter Avenant<br><br>March 2010 |

| Section | Audit finding | Recommendation | Management response | Manager responsible | Action plan and target date | Person responsible/ due date |
|---|---|---|---|---|---|---|
| | | | from the Auditor-General as the new auditors. The documents were handed to the Auditor-General in previous years, but to date we have not received a signed document from the Auditor-General. | | | |

## 4.7 FOLLOW-UP REVIEW OF THE 2007/08 AUDITOR-GENERAL REPORT

### 4.7.1 BACKGROUND

The Internal Audit Department of Tshwane performed follow up audit on the issues raised by the AG(SA) for the year ended 30 June 2008. From the results of the audit we draw a conclusion that management is committed to improve the control environment.

To assist management to allocate resources to address the weaknesses and improve controls, we have assigned subjective ratings to each of the weaknesses identified and recommendations.

The key to these ratings are as follows:

**RATING**


Adequately actioned


Addressed but more work needed


Issue not addressed

### 4.7.2 SUMMARY OF AUDIT FINDINGS

Below is the summary of the Audit findings and the results of the Follow up Audit for the year ended 30 June 2008.

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 1 | Environmental requirements (EX 241) | NEMA Act, 107 of 1998: Responsibility for environmental health and safety consequences of a policy, programme, project, product, service or activity – no proof provided to indicate that City of Tshwane considered any other activities that might have a negative impact on the environment other than the landfill sites, quarries and alien vegetation. | Agriculture and Environmental Management (Waste Environmental Management) | No |  The City has approved and endorsed a number of reports that demonstrate the broad spectrum and scope of environmental and sustainability attributes and activities within its mandate. |
| 2 | Licences and Permits (EX 213) | Licences and permits: No proper filing system for motor vehicle files (car registrations) | Community Safety (Police Administration and Licensing) | No |  Management is in the process of implementing an electronic filing system. |
| 3 | Licences and Permits (EX 218) | Licences and permits: Application forms not completed properly. Lack of controls | Community Safety (Police Administration and Licensing) | No |  17% were not completed correctly. |
| 4 | Licences and Permits (EX 223) | Licences and Permits: Copy of ID documents not attached to application forms | Community Safety (Police Administration and Licensing) | No |  Some of the ID copies were not attached. |
| 5 | Licences and Permits (EX 224) | Licences and Permits: Eye test not done for Temporary driver's license applications. Lack of controls | Community Safety (Police Administration and Licensing) | No |  3% of the sample had not done eye tests. |
| 6 | Licences and Permits (EX 225) | Licences and permits: Lost document form not completed for duplicate learners license application | Community Safety (Police 'Administration and Licensing) | No |  Issue was satisfactorily addressed |
| 7 | Licences and Permits (EX 212) | Licences and permits: Cash-up Statements not properly authorised. Directive, preventive and detective controls are not adequate. Daily cash up statement must be properly authorised and reviewed and signed off by senior official | Community Safety (Police Administration and Licensing) | No |  November, January and March were not duly authorised by supervisors. |
| 8 | Fines (EX 90) | Total value of fines on SAP system and TRAFMAN system does not agree | Community Safety (Police Administration and Licensing) | Yes |  There were differences noted, however management noted and follow up was to be done. |
| 9 | Unemployment Insurance Fund (EX 65) | Councillors not contributing to UIF. Non compliance with Unemployment Contributions Act. | Corporate and Shared Services (Human Resource Management) | Yes |  Management requested an opinion from Salga. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 10 | Revenue: Fresh Produce Market (EX 70) | Fresh Produce Market: Sequence of invoices. Invoices per the Pastel system are not in sequential order and some deleted. Reasons and supporting documentation could not be provided to AG. Control weaknesses exist | Economic Development (Agricultural Trading Development) | Yes |  Issue was satisfactorily addressed |
| 11 | Property Rates (EX 180) | Revenue recorded in incorrect financial period | Finance (Revenue Management) | No |  Issue was satisfactorily addressed |
| 12 | Property Rates (EX 191) | Reconciliation between SAP and Pro-V not complete or accurate | Finance (Revenue Management) | Yes |  There is progress recorded, both systems data is transferred to a central data base for reconciliation. |
| 13 | Property Rates (EX 192) | Interface between SAP and Pro-V not occurring for a period within the financial year. Interface must be done on daily basis. Not performed from 11/2/08 to 30/6/08 | Finance (Revenue Management) | No |  Interface between SAP and Pro-v was discontinued to ensure proper reconciliation. Interface was done monthly during the period January 2009 to Jun 2009. |
| 14 | Property Rates (EX 181) | SAP stem (billing system) not updated with changes to Pro-V system. Effective dates on SAP does not agree with effective dates on Pro-V | Finance (Revenue Management) | Yes |  The effective dates for 72% of the selection agreed |
| 15 | Property Rates (EX 202) | Property from Pro-V (valuation system) not traced to SAP (billing system). AG unable to trace properties on the different systems | Finance (Revenue Management) | Yes |  A monthly reconciliation is now performed. Consultants were appointed to identify and correct imbalances within the two systems. |
| 16 | Property Rates (EX 208) | SAP and Pro-V values differ. AG unable to obtain assurance on completeness, occurrence of and accuracy of amounts | Finance (Revenue Management) | Yes |  There were differences noted between SAP and Pro-v which are now identified. The consultants computed the revenue understated as a result of the differences between market values on the systems. |
| 17 | Property, plant and Equipment (EX 124) | Assets expensed below threshold – material. Total value of cumulative assets amounted to R163 million – understating cost and accumulated depreciation | Finance (Revenue Management) | Yes | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 18 | Creditors (EX 6) | Creditors' reconciliation not performed for all creditors. Creditors' reconciliation between SAP and suppliers' statements not performed for all creditors (more than 1700 creditors). Only 100 highest monetary value creditors were reconciled. | Finance (Treasury Office) | Yes | 100 small creditors' records were reconciled. There are plans to increase the number to 150. |
| 19 | Creditors (EX 91) | Inadequate format of creditors' reconciliation. Reconciliation did not make provision for creditors balance per SAP, EFT/Cheque payments included and pending payments. Reconciliations was not reviewed by senior personnel | Finance (Treasury Office) | Yes | Issue was satisfactorily addressed |
| 20 | Creditors (EX 154) | All creditors not accrued. | Finance (Treasury Office) | Yes | Applicable after year end |
| 21 | Creditors (EX 15) | Non-compliance with section 65(3) of MFMA. All moneys must be paid within 30 days of receiving the invoice/statement unless prescribed otherwise | Finance (Treasury Office) | Yes | 25% of the selection was paid after 30 days. Client committed to have a forum to discuss the situation with various departments. |
| 22 | General expenses (EX 147) | Vendor VAT search – SCM Policy requires that a written quotation or bid should not be considered unless tax matters are in order | Finance (Supply Chain Management) | No | Issue was addressed satisfactorily |
| 23 | Long-term receivables (EX 140) | Long-term receivables: Arrangement debtors control weakness identified.<br>• Documents used by City of Tshwane are not necessarily signed by administration officer or the debtor – resulting in agreements not being binding.<br>• Instalments per agreement do not agree with instalments on SAP<br>• Payment terms extended more than six months without discretion of CFO | Finance (Revenue Management) | No | Issue was addressed satisfactorily |
| 24 | Long-term receivables (EX 153) | Control weakness identified –<br>• No contracts for payment of debt. Acknowledgement of debt form serves as contract<br>• Debtors do not adhere to arrangement agreements and it is not followed up by City of Tshwane<br>• BH55 report: no supporting documentation for arrangements or legal action could be supplied | Finance (Revenue Management) | No | Legal action taken, however not in good time. |
| 25 | Property Rates (EX 206) | Difference in details of properties between SAP, Pro-V and Deeds Office | Finance (Revenue Management) | Yes | Issue was addressed satisfactorily |
| 26 | Property rates (EX 113) | Property rates – control weakness identified. Difference in valuations between Pro-V and SAP | Finance (Revenue Management) | Yes | Issue was addressed satisfactorily |
| 27 | Property Rates (EX 94) | Property rates – pensioners rebates incorrectly backdated after approval | Finance (Revenue Management) | Yes | Issue was addressed satisfactorily |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 28 | Property rates (EX 205) | Property rates – incorrect calculations and tariffs applied to Agricultural holdings | Finance (Revenue Management) | Yes |  Current calculations are correct. Client failed to change the previous years' calculations. |
| 29 | Consumer debtors (EX 200) | Consumer debtors – non-compliance with laws and regulations (Employees and councillors older than 90 days) | Finance (Revenue Management) | No |  Debtors were handed over to legal for collection |
| 30 | Internal control (EX 133) | Non-compliance with government gazette No 30013 dated 29 June 2007 in respect of basis for accounting in terms of accounting standards | Finance (Treasury Office) | No | Completed during AG audit |
| 31 | Accounting policy (EX 134) | Items disclosed incorrectly in accounting policy:<br>• Wording of basis of preparation<br>• Implementation of IFRS 05 Non-current assets held for sale and discontinued operations<br>• No depreciation on land | Finance (Treasury Office) | No | Completed during AG audit |
| 32 | National Credit Regulator (EX 127) | City of Tshwane did not register at the National Credit Regulator as required by *Government Gazette* 28619 dated 15 March 2006 | Finance (Revenue Management) | Yes |  Issue was addressed satisfactorily |
| 33 | Property, plant and equipment (EX 172) | Property, plant and equipment: Assets existence could not be verified | Finance (Asset Management) | Yes | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 34 | Property, plant and equipment (EX 175) | Assets do not have unique number. Some assets have same old number due to global amounts which were allocated to smaller assets | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 35 | Property, plant and equipment (EX 189) | Land and buildings without title deeds | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 36 | Property, plant and equipment (EX 219) | Land and buildings with title deeds but not owned by municipality | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 37 | Property, plant and equipment (EX 123) | ICS register with assets above threshold of R10 000 | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 38 | Property, Plant and equipment (EX 150) | Inventory should be PPE. Specialised equipment included in inventory should be reclassified as PPE | Finance (Asset Management) | Yes | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 39 | Property, plant and equipment (EX 234) | No audit evidence obtained on capex (capital projects/assets). Record capital project assets which were capitalised could not provide the information | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 40 | Property, plant and equipment (Ex 81) | Depreciation incorrectly calculated for 2007/08. During recalculation of depreciation variances to the value of R9,1 million were noted | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 41 | Budget (EX 56) | Budget: MEC not informed about the MFMA non-compliance in respect of tabling and approval of budget or consultation processes. Budget timelines not approved in good time. MEC for Finance and NT not informed in writing of the non-compliance | Finance (Budget Office) | No |  Issue was addressed satisfactorily |
| 42 | Budget (EX 51) | 2008/09 budget – tabling of time schedule not done in time. Must table at least ten months before the start of budget year the time schedule. Only tabled and approved on 29 September 2007 (less than ten months) | Finance (Budget Office) | No |  Issue was addressed satisfactorily |
| 43 | VAT (EX 137) | Non-compliance with the VAT Act, Act 89 of 1991:<br>• Input VAT claimed incorrectly on entertainment expenditure<br>• Input VAT claimed incorrectly on motor vehicles<br>• Input and output VAT in respect of asset acquisitions and disposals not calculated | Finance (Treasury Office and Supply Chain Management) | No |  New VAT issues raised management agreed to correct the errors. |
| 44 | Operating Leases (EX 209) | Disclosure of Operating leases – Non-compliance with IAS 17 (par 35) – amounts of minimum lease payments under no-cancellable operating leases for next year, years 2-5, and beyond five years | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 45 | Finance leases (EX 24) | Finance lease completeness.<br>Invoices in respect of finance leases did not reconcile to finance lease register | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 46 | Finance leases (EX 25) | Finance leases audit adjustments: Errors identified on work performed on lease register and amortization schedules used to prepare AFS | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 47 | Finance leases (EX 29) | Finance leases: Incorrect accounting.<br>• Finance lease payments are not apportioned between finance charge and reduction of outstanding liability on payment<br>• Finance lease payments are made from various incorrect GL accounts<br>• Depreciation and value of asset and liability were correctly calculated ito IAS 17 (consultants assisted in the process)<br>• Controls should be put in place to ensure that the process is performed correctly in future financial periods by City of Tshwane | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 48 | Finance leases (EX 33) | Finance leases- lease register<br>• Vehicles indicated on lease register could not be followed through to corresponding invoices to confirm validity and existence<br>• Details on lease register outstanding for example: vehicle registration numbers, tender numbers, residual values, discount on finance lease rate | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 49 | Finance leases (EX 182) | Finance leases: Control weaknesses:<br>• No policy and procedures are in place for the management of leases<br>• No controls in place to ensure that leases are approved by CM and CFO<br>• No arrangement may be entered into before evaluating whether it represents a lease – responsibility of CFO<br>• A separate lease asset register need to be kept – no controls in place to ensure this<br>• Leased assets must be treated as separate asset class in all council processes that is budget, IDP<br>• Changes in classification of leases between operating and finance leases must be done on approval of CFO<br>• Apportionment of lease payments between finance charges and finance lease liability<br>• Review of residuals must be done annually<br>• No controls in place to ensure that leases are accounted for correctly in terms of IAS 17 | Finance<br>(Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 50 | Finance lease payments (EX 120) | Finance lease payments – incorrect amounts. Assumptions were made when information was not available for the amortization tables. Effective interest rate differences exist; maintenance plan portions were not identified. | Finance<br>(Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 51 | Finance leases (EX 249) | Prior year error – note adjustment need to be done in prior year – was included in schedule of overs and unders | Finance<br>(Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 52 | Unauthorised expenditure (EX 93) | Unauthorised expenditure: Overspending of adjustment budget. Deviation report not tabled and approved in good time (must be within 60 days after year end) | Finance<br>(Budget Office) | |  <br>Applicable at year end |
| 53 | Grants and subsidies paid (EX 28) | Significant delay in receiving documentation requested in respect of Grants and subsidies paid (Assessment rates). Documentation could not be provided. Only Excel spreadsheet containing list of applications could be provided – it does not contain details of grants paid. List could not be linked to grants and subsidies paid transactions on SAP | Finance<br>(Revenue Management) | Yes |  <br>Supporting documentation was found, however the transaction recorded in a different account. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 54 | Revenue: Rental Facilities 811659 (EX 169) | Rental facilities: No supporting documents for rentals to test for completeness, occurrence, existence and classification | Sport, Recreation Arts and Culture (Executive Head: Policy and System Management) | No |  Based on follow up work performed on Rental Facilities Account number 811659, all supporting documents requested were made available. No reconciliation was performed. |
| 55 | Consumer Deposits (EX 103) | Consumer deposits: Control weakness:<br>• Application forms not signed by senior official<br>• Services requested on application form do not agree with deposit requested by the City of Tshwane and paid<br>• Application forms are not always fully completed | Finance (Revenue Management) | Yes |  Management noted the exception for follow up and correction 2010. |
| 56 | Refuse Removal, Income from bulk services and dumping fees (EX 115) | Solid waste: Revenue not recorded at correct amount and journals not released before year end | Agriculture and Environment Management (Waste Environmental Management) | No |  Issue was addressed satisfactorily |
| 57 | Government Grants and subsidies (EX 41) | Government grants: Control weakness identified:<br>• No list prepared for grants received and receivable<br>• Monthly reconciliations between invoices created and revenue recognised<br>• Proper designation of roles of the grant team which was established | Finance (Budget Office and Treasury Office) | No |  No change. |
| 58 | Service Charges (EX 57) | Service charges –Review of reconciliations between FICA and FI-GL. Reconciliations between not signed by senior official | Finance (Revenue Management) | No |  Issue was addressed satisfactorily |
| 59 | Revenue: Rentals (EX 196) | Cut off GL 810111 Rentals: Transaction recorded in incorrect period (relates to prior year). Control weakness | Finance (Revenue Management) | No |  Issue was addressed satisfactorily |
| 60 | Revenue and receivables (EX 210) | Revenue and receivables: Files not available for audit purposes. Lack of sufficient controls. No appropriate system to ensure that required information is in files. Lack of independent reconciliations and review of permit files | Sport Recreation Arts and Culture (Executive Head: Policy and System Management) | No |  All supporting documentation was obtained, however no reconciliations were performed. |
| 61 | Licences and Permits (EX 222) | Licences and permits: GL Account 812906 Refund: Motor vehicles misclassified as Operational Government Grants and subsidies | Finance (Treasury Office) | No |  Issue was addressed satisfactorily |
| 62 | Property Plant and Equipment (EX 7) | PPE: Hammanskraal Sports complex included in fixed asset register but complex is not completed yet (only a fence) | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 63 | Property Plant and Equipment (EX 21) | PPE: Depreciation difference between trial balance and fixed asset register | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 64 | Property Plant and Equipment (EX 144) | PPE: ICS register not updated on a system. Information of ICS not included on SAP | Finance (Asset Management) | No | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 65 | Property Plant and Equipment (EX 186) | PPE: No annual asset verification done by the City of Tshwane. Lack of controls | Finance (Asset Management) | Yes | Tests limited to management representation, review of progress report from consultants and project charter. The results of the review are satisfactory. |
| 66 | Budget (EX 55) | Budget: Performance agreements not entered into on time as stipulated by MFMA. No draft performance agreements prepared for city manager and senior officials on time as stated in MFMA | Office of the City Manager (Strategic Operations) | No | Issue was addressed satisfactorily |
| 67 | Employee Cost (EX 54) | Employee cost: Long service award incorrectly calculated. Incorrect scales used to calculate remuneration. Rate before 31 Dec 2003 used | Corporate and Shared Services (Human Resources Management) | Yes | Issue was addressed satisfactorily |
| 68 | Creditors (EX 79) | Creditors: Not all journals authorised by BU manager | Finance (Treasury Office) | No | Issue was addressed satisfactorily |
| 69 | General Expenses (EX 146) | General expenses: Invoices accounted for in incorrect period. Description of transactions does not always agree to service/goods received. | Finance (Treasury Office) | No | After year end |
| 70 | Reserves (EX 197) | Reserves: Assets financed by CRR does not reconcile with CRR assets in PPE register. Acquisitions funded from CRR differs from CRR assets on asset register | Finance (Treasury Office) | No | Completed during the AG audit. |
| 71 | Reserves (EX 215) | Reserves: Assets financed by Government Grant does not reconcile with Government Grant assets in PPE register | Finance (Treasury Office) | No | Completed during the AG audit. |
| 72 | Irregular expenditure (EX 9) | Official residence of the Mayor. EM does not pay rent – does not fall within the framework of Public Office-Bearers Act and transgression of Sect 167 of MFMA | OEM/CM (Strategic Operations) | No | Approved by the Council in the new 2009/10 financial year. |
| 73 | Non-compliance with legislation (EX 236) | Public not notified on a timely basis of IDP | OEM/CM (Strategic Operations) | No | Issue was addressed satisfactorily |
| 74 | Performance management specialist (EX 238) | Late appointment of performance management specialist and roles and responsibilities not incorporated in term of reference for 2007/08 – Only appointed in Jan 2008 | OEM/CM (Internal Audit) | No | The structure has been approved, two positions filled. |
| 75 | Performance information (EX 239) | Incomplete performance information submitted for audit purposes as at 31/8/08. Non-compliance with sect 46 of Systems Act. City of Tshwane information incomplete and ME information not submitted | OEM/CM (Strategic Operations) | No | Issue was addressed satisfactorily |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 76 | Non-compliance with laws and regulations (EX 227) | Measures to improve performance not disclosed in annual performance report – non- compliance with sect 46(1) of Systems Act | OEM/CM (Strategic Operations) | Yes | Applicable only at year end |
| 77 | IDP: targets inconsistent (EX 228) | Targets between IDP and annual performance report is inconsistent | OEM/CM (Strategic Operations) | No | Issue was addressed satisfactorily |
| 78 | Annual Performance Report (EX 230) | Lack of sufficient and appropriate audit evidence to substantiate contents in annual performance report. Although system is in place accuracy of inputs could not be verified by AG | OEM/CM (Strategic Operations) | No | Issue was addressed satisfactorily |
| 79 | ME's and City of Tshwane SLA's (EX 106) | Service level agreements. Non-compliance with sect 76 and 77 of Systems Act. No signed SLA for Housing Company | OEM/CM (Governance and Secretarial Services) | No | Issue was addressed satisfactorily |
| 80 | Reported performance information (EX 247) | Evidence inconsistent with the reported performance information. Percentage of unaccounted for water as per Departmental Report did not agree with Annual Performance report | OEM/CM (Strategic Operations) | No | Issue was satisfactorily addressed |
| 81 | Supporting documentation (EX 248) | Incomplete information provided in supporting documentation. Unaccounted for water calculation – records of bulk purchases not included | OEM/CM (Strategic Operations) | No | Issue was satisfactorily addressed |
| 82 | Performance Audit Committees (EX 245) | Establishment of two separate Performance Audit Committees. Non-compliance with Regulation 796, clause 14(2) of 24/8/2001 dealing with establishment of Performance Audit committees | OEM/CM (Internal Audit) | No | Issue was satisfactorily addressed |
| 83 | Performance targets (EX 229) | No correlation between performance targets. IDP targets did not agree with Departmental targets for the 5 year programme | OEM/CM (Strategic Operations) | No | Revised IDP and performance targets have been corrected. BPME is in the process of devising a system that will lock cells on the departmental targets. |
| 84 | Audit committee (EX 2) | Audit committee: Non-compliance with MFMA sect 166 | OEM/CM (Internal Audit) | No | Issue was satisfactorily addressed |
| 85 | AOPI (EX 52) | Inadequate internal controls on monitoring and evaluation of performance information: Internal audit's assessment of internal controls on performance monitoring and evaluation is weak to enable City of Tshwane to meet IDP set objectives | OEM/CM (Strategic Operations) | No | Issue was satisfactorily addressed |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 86 | Performance information (EX 226) | Inadequate presentation of reported performance information: No alignment between IDP and performance report. No linking | OEM/CM (Strategic Operations) | No | Linking is being done for the 2010 year. |
| 87 | Performance Management (EX 240) | IT system acquired for performance management but not yet developed and implemented. Departments do not submit reports as required or information submitted is not useful. SEM module is not yet implemented for the intended purpose | OEM/CM (Strategic Operations) | No | In a process of procuring the system. |
| 88 | Performance reporting (EX 243) | Ability of the Business Planning, Monitoring and Evaluation Unit to manage and monitor performance reporting adequately: Unit was unable to perform critical functions for example quality and audit checks. Unit was unable to engage with communities and represent IDP division in community meetings | OEM/CM (Strategic Operations) | No | Issue was satisfactorily addressed |
| 89 | Performance Management system (EX 246) | Inability of Internal Audit to obtain proper audit coverage during evaluations and review of the performance management system: Limited internal audit procedures were focused on the implementation and operations of the Performance Management System | OEM/CM (Internal Audit) | No | Issue was satisfactorily addressed |
| 90 | Irregular, Unauthorised, Fruitless and wasteful expenditure (EX 20) | No declaration forms from some departments | Office of the City Manager | Yes | Some forms could not be found. |
| 91 | Irregular, Unauthorised, Fruitless and wasteful expenditure (EX 84) | Understatement of unauthorised, irregular, fruitless and wasteful expenditure – not all amounts was disclosed in AFS. | Office of the City Manager | Yes | Issue was satisfactorily addressed |
| 92 | Quarterly and mid-year organisational performance reports (EX 244) | Quarterly and mid-year organisational performance reports not subjected to internal audit on timely basis. Non-compliance with sect 45(a) of Systems Act. Internal Audit did not perform reviews of 1st and 2nd quarterly performance reports | OEM/CM (Strategic Operations) | No | Issue was satisfactorily addressed |
| 93 | Municipal entities (EX 105) | Entities submission of annual financial statements not on time | OEM/CM | No | Issue was satisfactorily addressed |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 94 | Revenue (EX 97) | Transport income – monthly reconciliation not performed between daily and monthly ticket sales to general ledger account | Economic Development | Yes |  <br>Reconciliations were in good time prepared and only April 2009 reconciliation was delayed.<br>Reconciliations not reviewed by a senior. |
| 95 | Transport income (EX 10) | No formal and approved policies and procedures for ticket sales could be provided for audit purposes | Economic Development | Yes |  <br>Policies and procedures were not signed by the Strategic Executive Director. |
| 96 | Revenue: Bus Rentals (EX 72) | Bus Rentals: Escalations not taken into account. Incorrect tariff had been used and charge as per agreement was not adopted for the annual increase | Economic Development | No |  <br>Bus rental escalations were now being taken into account correctly.<br>Sampled Sundry Billing Requests still had no supporting documentation. |
| 97 | Revenue: Bus Rentals (EX 73) | Bus Rentals: Over and undercharged. It could be due to cash special hires income being included in the same GL account | Economic Development | No |  <br>Tariffs not yet revised. Incorrect tariffs are charged. |
| 98 | Revenue: Bus hires and Bus site rentals (EX 131) | 1. Bus hires and bus site rentals: No existing contracts for rentals or hires. Copies of agreements could not be provided to AG.<br>2. Control weakness as no segregation of duties exist<br>3. Billing request forms for bus site rentals are not approved or authorised before being updated on the system. | Economic Development | No |  <br>• Bus hire contracts could not be found<br>• Not adequate being performed.<br>• Billing authorised by supervisor. |
| 99 | Transport Income (EX 107) | Transport Income – 1. Control weakness identified: No reconciliation or monitoring is performed on ticket registers<br>2. Incorrect signing off procedure for tickets. Segregation of duties | Economic Development | Yes |  <br>• Reconciliation not always approved.<br>• No segregation of<br>• Sign off happens haphazardly. |

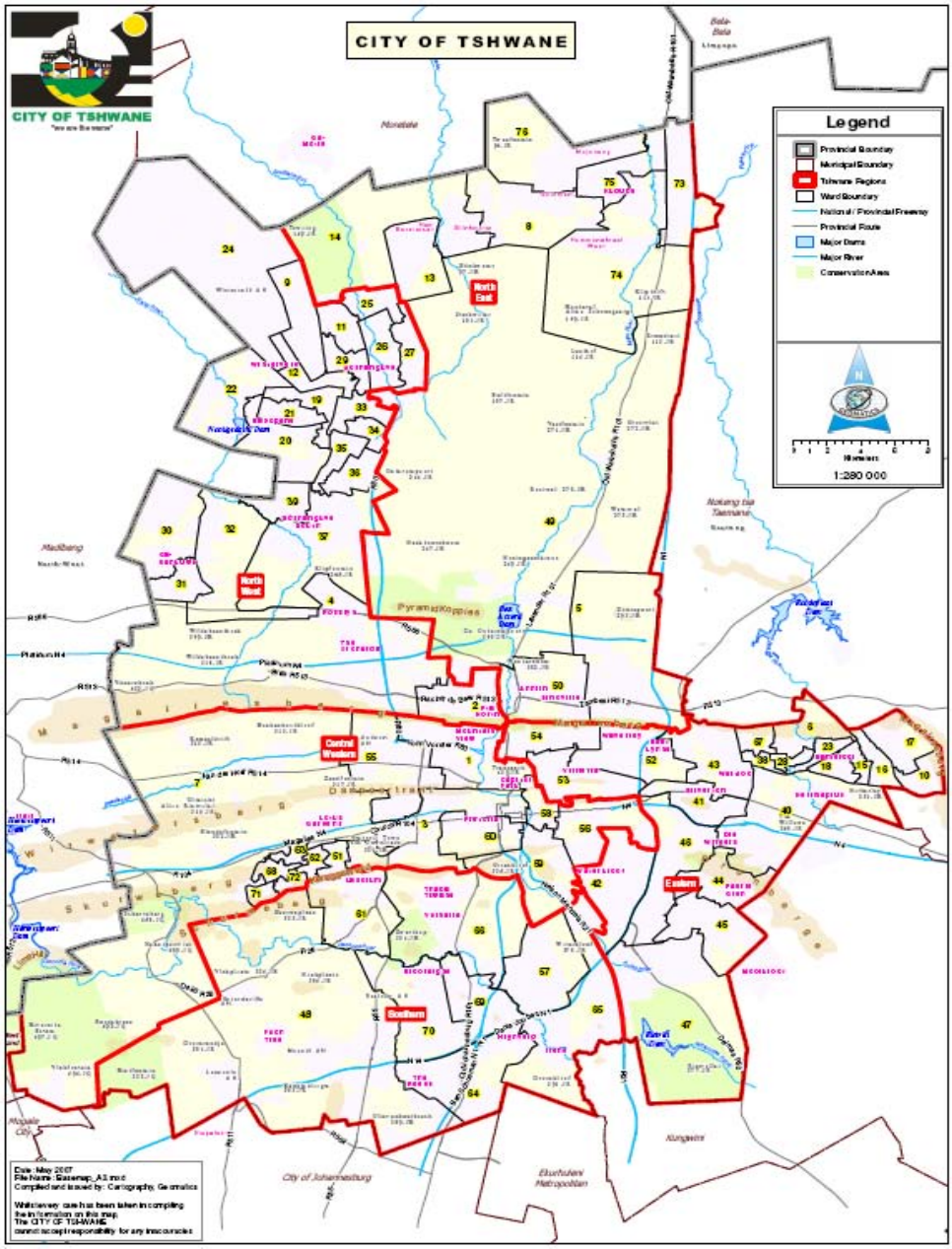
| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 100 | Transport Income (EX 96) | Transport Income: Ticket sales recorded in incorrect financial period. Deposits of February 2007 only made in 2007/08. Receipts are not delivered to Cashbook in good time to update the General ledger | Economic Development | Yes |  Revenue from ticket sales still not being recorded in correct period however management committed to rectify the situation at year end. |
| 101 | Environmental Provisions (EX 49) | Provisions landfill sites no monitoring of water and gas. Permits issued to approve the establishment of a landfill site requires the City of Tshwane to monitor water quality and gas emissions twice per annum | Agriculture and Environmental Management (Waste Environmental Management) | No |  • No contractor has been appointed for the monitoring of water and gas emissions; however the department is in the process of appointing one.<br>• Based on follow up procedures performed, no water quality and gas measurement tests and monitoring were done on any landfill site during 2008/09 and 2009/10 financial year. The appointment of surveyors is still in progress. |
| 102 | Environmental Provisions (EX 126) | Provisions quarries permit expired and no monitoring:-<br>• Mining rights for Bon Accord Quarry and other quarries owned by the City of Tshwane has expired (unauthorised use of quarries)<br>• The City of Tshwane must submit an Environmental Management Plan to dept of Water Affairs and Forestry and the Department Mineral and Energy affairs<br>• National Environmental act requires the monitoring of water quality and air quality twice per financial year – no tests done during 2007/08 | Public Works and Infrastructure Development (Roads and Stormwater) | No |  Management has submitted application to DME.<br>Monitoring of water quality-tender to appoint consultants was prepared. |
| 103 | Environmental Provisions (EX 232) | Provision for landfill site calculation showed following discrepancies:<br>• Error in hectares used for calculation<br>• Basis of calculation – calculation done on size instead of footprint area<br>• All expenses relating to landfill sites is captured and budgeted in same general ledger account and cost centre – might lead to insufficient controls | Agriculture and Environmental Management (Waste Environmental Management) | No |  The calculations were done<br>Request was sent to finance for new accounts to be opened on the ledger. |
| 104 | Environmental Provisions (EX 233) | Provisions for rehabilitation of quarries – following discrepancies:-<br>1. Completeness – only 2 quarries used for calculation instead of 5 owned by the City of Tshwane<br>2. All expenses relating to quarries is captured and budgeted in same general ledger account and cost centre– might lead to insufficient controls | Public Works and Infrastructure Development (Roads and Stormwater) | No |  Only one quarry's provision was not calculated. The quarry was being rehabilitated (no longer in use)<br>Request sent to finance in respect of of opening new accounts on general ledger. |

| No | Description | AG AUDIT COMMENT/FINDING | DEPARTMENT | REPORTED IN 06/07 | RESULT OF THE REVIEW ITO ACTION PLANS IMPLEMENTED BY MANAGEMENT AT THE TIME OF AUDIT |
|---|---|---|---|---|---|
| 105 | Bulk Purchases (EX 64) | Incorrect classification | Public Works and Infrastructure Development (Energy and Electricity) | Yes |  Issue was satisfactorily addressed |
| 106 | Water and electricity (EX 203) | Water and electricity: Notifications control weakness identified. Work orders and notifications | Public Works and Infrastructure Development (Energy and Electricity and Water and Sanitation) | No |  Issue was satisfactorily addressed |
| 107 | Water and Electricity (EX 204) | Financial effect on revenue as work is not performed for notifications created | Public Works and Infrastructure Development (Energy and Electricity and Water and Sanitation) | No |  Minority of work orders were not closed. |
| 108 | Refuse Removal: Income from Bulk containers (EX 121) | 1. Solid waste – no monthly reconciliation for income from bulk containers and dumping fees. Ngema Consultants contracted to perform billing.<br>2. No reconciliation is performed between Ngema consultants Pastel ledger accounts and SAP income ledger accounts | Agriculture and Environmental Management (Waste Environmental Management) | No |  No reconciliations between the PASTEL ledger accounts and SAP general ledger accounts are prepared and approved. The Finance Manager is in the process of introducing the recommended controls with regard to the preparation and review of monthly reconciliations. |
| 109 | Solid Waste: Revenue not recognised (EX 128) | Revenue not recognised when service is rendered but only when payments are received. Bulk containers and dumping fees. | Agriculture and Environmental Management (Waste Environmental Management) | No |  Confirmed that the process of recognising revenue when the service is rendered as required by GRAP, GAMAP and MFMA., opposed to when cash is received. No controls have been implemented in this regard. |
| 110 | Public contributions (EX 59) | Public contributions – difference in monthly reconciliation between supporting documentation and GL's 811898, 811899, 811895 and 811896 not followed up | Finance (Revenue Management) | No |  Issue was satisfactorily addressed |

# 5. FUNCTIONAL SERVICE DELIVERY

## 5.1 GENERAL INFORMATION

### 5.1.1 GEOGRAPHICAL AREA



The Gauteng Provinces cover a geographical area of 17,010 km2 (1,4% of South Africa), while the City of Tshwane Metropolitan Municipality covers an area of 2,198 $km^2$ (almost 65 km in length and 50 km in width).

Tshwane covers the municipal areas of:

| | | |
|---|---|---|
| Pretoria | Akasia | Soshanguve |
| Centurion | Mabopane | Atteridgeville |
| Ga-Rankuwa | Winterveld | Hammanskraal |
| Temba | Pienaarsrivier | Crocodile River |
| Mamelodi | | |

Tshwane lies in the smallest geographical area of the country's nine provinces, Gauteng (the Sotho word for The Place of Gold). Tshwane's neighbouring provinces are the North West Province, Mpumalanga, and Limpopo.

The city has about 10 inhabitants per hectare. The population of almost two million people has on average the highest educational level in the country. The projected annual growth of the population between 1996 and 2001 was 4,1%, which is substantially higher than the national average of 2,1%.

The home language profile of Tshwane indicates that the most widely used home language is Sepedi (Northern Sotho), followed by Afrikaans, Setswana, Xitsonga, isiZulu and English. These six languages account for 84.68% of the population.

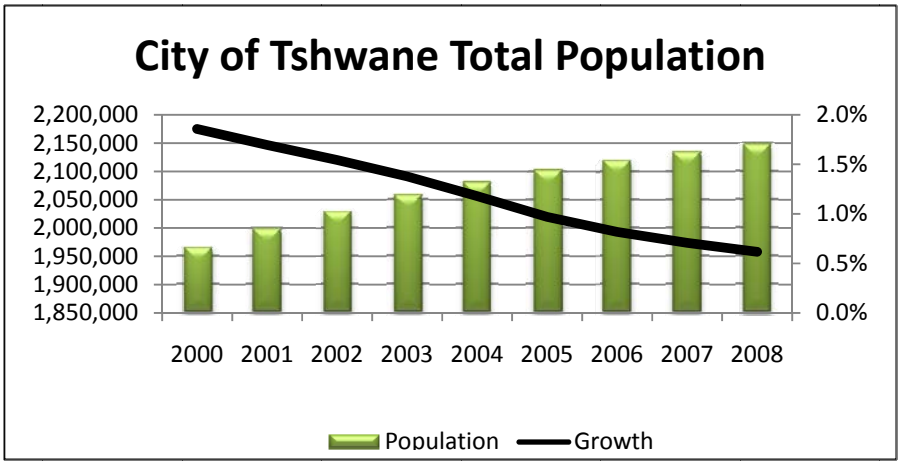
Financially, the City of Tshwane is currently one of the healthiest municipalities with its current credit rating status. The latest Moody's assessment assigns an Aa3.za credit rating to City of Tshwane (South Africa). The credit rating as at 30 June 2008 improved as follows as compared to the credit rating of the year before:

**Long Term:** grading went up from A+ to Aa3 (AA-)
**Short term:** grading is the same as last year (Prime 1= A1)
**Financial Outlook:** moved from a rating watch to stable
**Conclusion:** credit rating has improved from last year

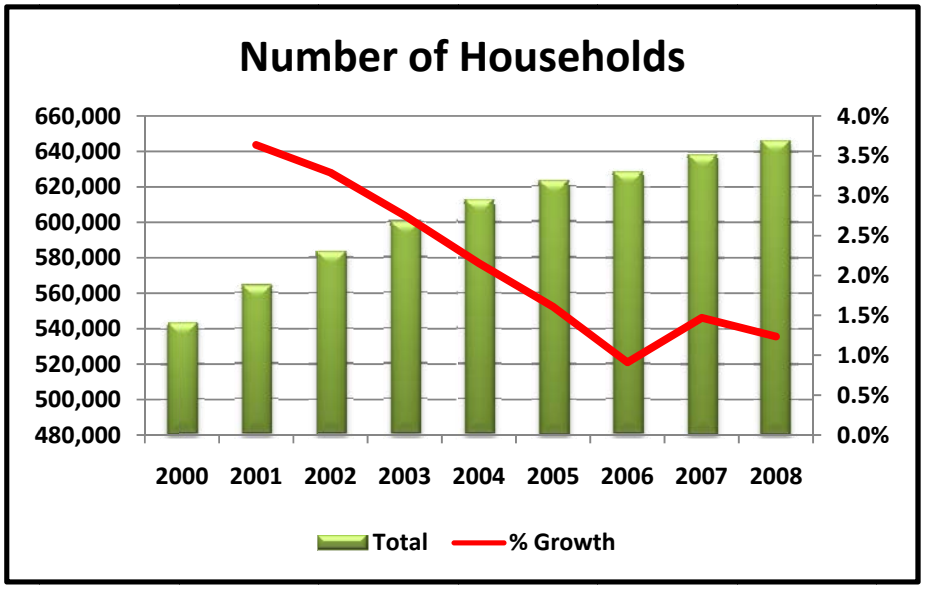
The ratings are based on the City's ability to meet its long-term commitments, its short-term liquidity and its level of administrative, executive and political stability.

## 5.1.2 DEMOGRAPHICS

**Growth in the Total Population**[7]



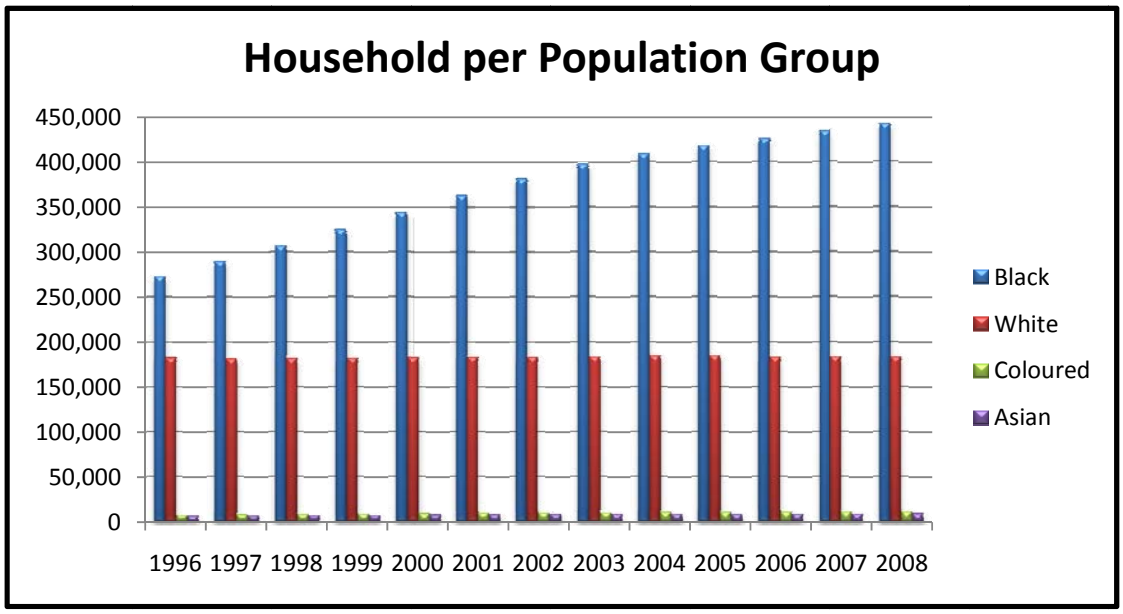

**Growth in the Total Households**[8]

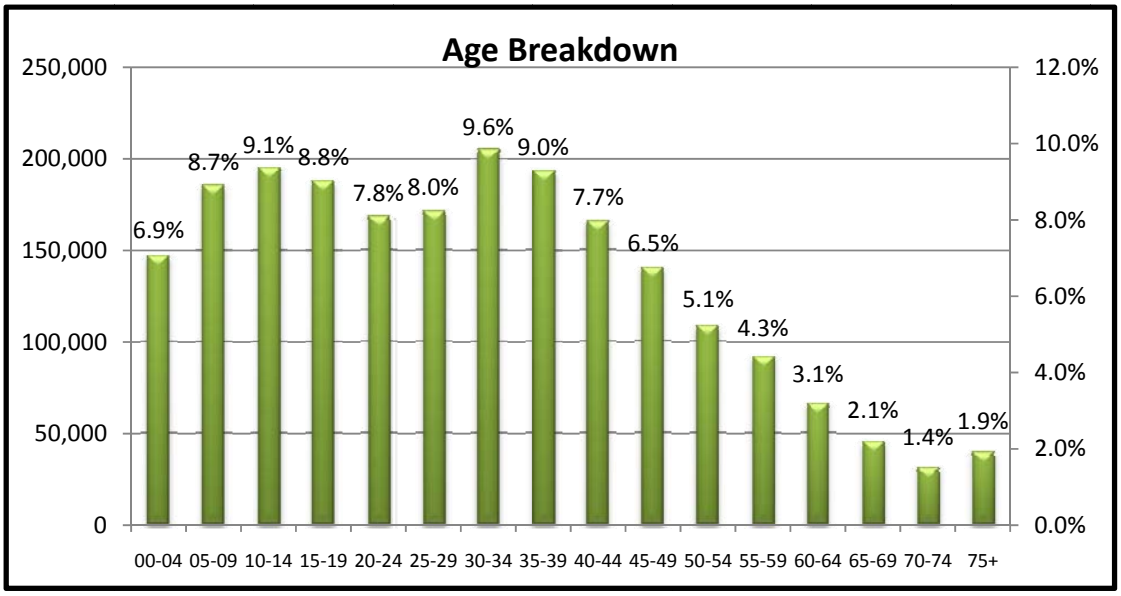



[7] *Source: Global Insight Regional eXplorer version 421*

[8] *Source: Global Insight Regional eXplorer version 421*

**Household per Population Group**[9]

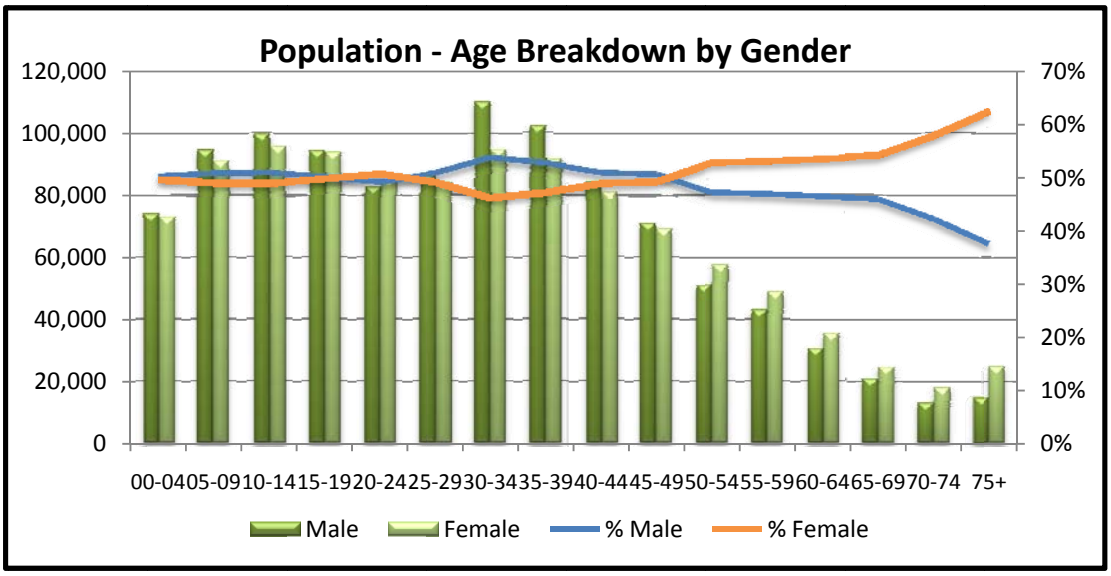


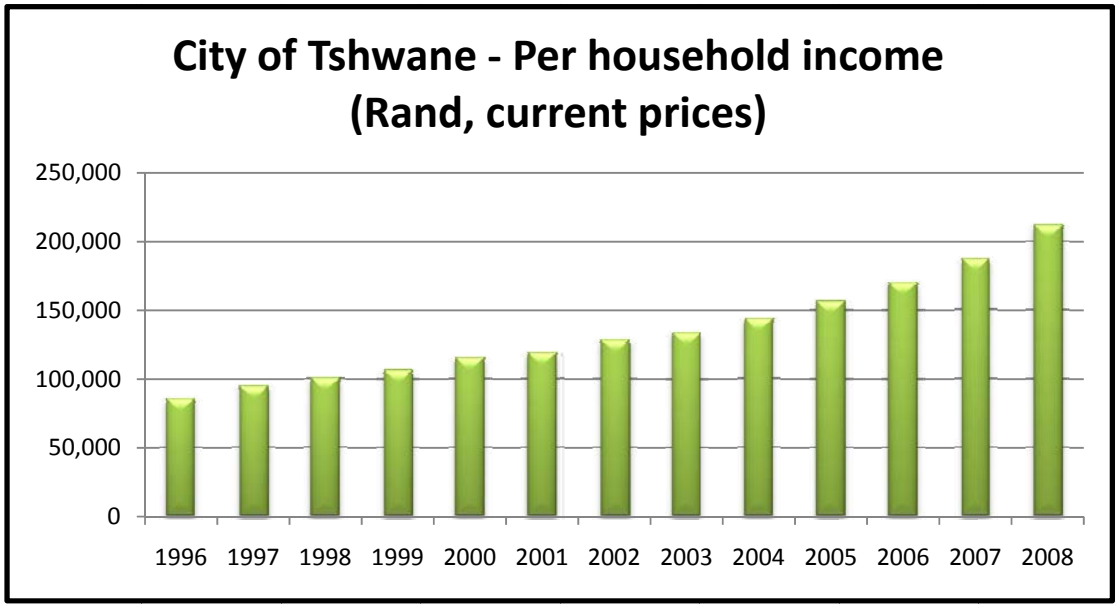

[9] *Source: Global Insight Regional eXplorer version 421*

[10] *Source: Global Insight Regional eXplorer version 421*

**Population by Gender**[11]



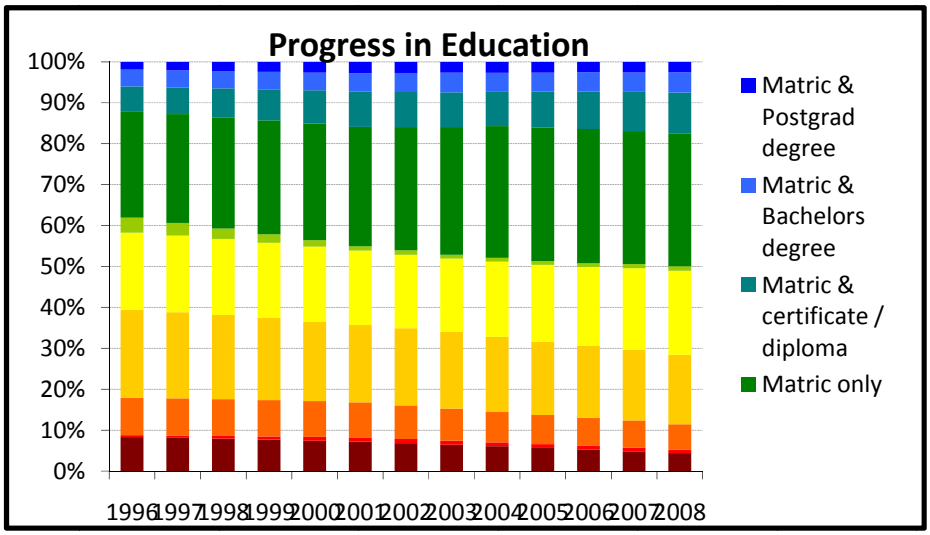

**Household Income**[12]



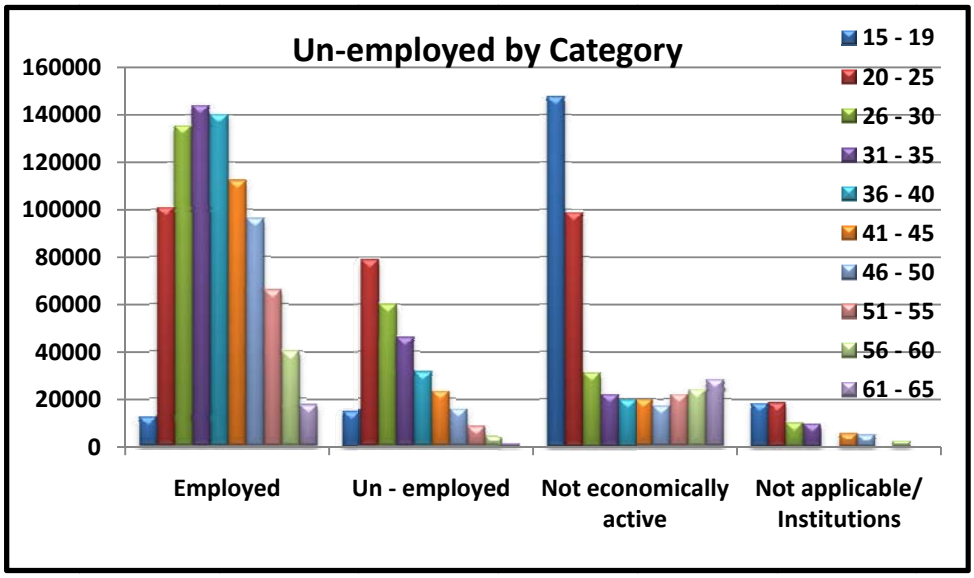

[11] *Source: Global Insight Regional eXplorer version 421*

[12] *Source: Global Insight Regional eXplorer version 421*

**Education Development**[13]




**Employment by age group**[14]




[13] **Source: Global Insight Regional eXplorer version 421**
[14] StatsSA. SuperCROSS. Copyright © 1993-2008 Space Time Research Pty Ltd. 2 July 2008

## 5.2 FUNCTIONAL ANALYSIS PER GOVERNMENT FINANCE STATISTICS (GFS) CLASSIFICATION

### 5.2.1 EXECUTIVE AND COUNCIL

#### A OVERVIEW AND DESCRIPTION OF KEY ISSUES

The Executive Mayor and City Manager's Office is responsible for the support of the implementation of the Mayoral Committee System through the following areas: Governance Compliance (ensures compliance with legislation and policies for City of Tshwane and municipal entities, advise on the Corporate System of Delegations, ensures compliance with procurement policies), Mayoral Committee Support (provision of secretariat support and resolution tracking for the Mayoral Committee and other committees of the Executive Mayor), Statutory and Non-statutory Committee Support (provides secretariat support to S80 Committees, bid committees, audit committees, etc.), International and IGR Section (coordinates the City of Tshwane's international relations programme, monitors and advises on IGR engagements), Mayoral Outreach and Stakeholder Management (coordinates external stakeholder relations and community outreach programmes for the Executive, for example quarterly imbizos, monthly community visits and stakeholder consultative forums by the executive), departmental performance monitoring and Elections Services (supports the IEC, Council and the Office of the Speaker with regard to elections and participatory democracy programmes)

**The Office of the Speaker:**

The Speaker presides over meetings of the Council and ensures that they are conducted in accordance with the Rules and Orders of the Municipality.

The Council has in place a Rules Committee that represents all political parties and is chaired by the Speaker. All councillors are required to adhere to the Code of Conduct for Councillors, which was established by national legislation. This code is aimed at ensuring that councillors are held accountable to the community for their actions.

The Council has entrusted the facilitation of public participation to the Speaker. The Office of the Speaker is therefore a link between the Council and the communities. Under the guidance of the City Manager, the Office of the Speaker makes use of ward, petition and other committees to promote and enhance public participation.

The Office of the Speaker is also responsible for the overall coordination of Council and S79 Committees including secretariat support.

**Ward committees**

The purpose of ward committees is to enhance participatory democracy in local government. The committees are chaired by ward councillors and are made up of elected volunteers from the community who represent different interests in the ward. A ward committee makes recommendations to its ward councillor on matters affecting the ward. The ward councillor in turn may refer matters to the Executive

Mayor or the Council. The committee may also advise the ward councillor. The Office of the Speaker provides the framework within which the ward committees' activities take place and assists with the administrative functioning of the ward committees.

### Ward Committees Meeting Schedule

| PROJECT | TOTAL NUMBER OF MEETINGS HELD | ATTENDANCE | DATES | OUTCOMES |
|---|---|---|---|---|
| Ward committees elections | 76 | 7 437 | 2-31 August 2008 | Successful |
| Ward Committees Induction | 7 | 331 | 20-28 February 2009 | Successful |
| Ward Committees build up workshops | 7 | 340 | 6-7 June 2009 | Successful |
| Ward Committees conference | 1 | 1000 | 20 June 2009 | Successful |
| Ward committees meetings | 272 | 2 024 | 1 July to June 2009 | Successful |

### Public Consultative Meetings

| PUBLIC CONSULTATIVE MEETINGS | INTERDEPENDENCE | ATTENDANCE | DATES | OUTCOME |
|---|---|---|---|---|
| FIFA 2010 By-Law | Legal Division and 2010 Office | 150 | 18 - 30 October 2009 | Approved by-law |
| Indigents registration | ICD | 9 625 | 3 - 21 June 2009 | 4 306 |
| Community safety meeting | SAPS | 24 | 29 January 2009 | Successful |
| Election staff recruitment | IEC | 10 | 3 February 2009 | Successful |
| Budget and IDP | Finance and CM Office | 1 294 | 4 - 28 March 2009 | Successful |
| Human Rights Day | SRAC | 3 000 | 24 September 2008 | Successful |
| Ziveze registration | Department of Housing | 70 890 | 31 July - 15 August 2008 | Successful |
| Women's Day<br>Fun walk | SRAC | 23 000<br>1 500 | 9 August 2008 | Successful |
| Disaster management | Environmental Management | N/A | 6-29 September 2009 | Successful |
| Street Naming | City Planning | N/A | 7 - 20 October 2008 | 4000 inputs received |
| FIFA Confederation | 2010 Office | 5000 per event X 6 | 14 - 28 June 2009 | Hosting<br>Successful |
| Bontle Ke Botho Awards | GDACE | N/A | 6 December 2008 | Bachana Mokoena R50,000<br>Dimakatso R50,000<br>Khensani R50,000 |

### Petitions Committee

- Members of the community can make a request, make a submission or lodge a complaint regarding municipal service delivery through the Petition Committee.
- It consists of representatives of various political parties and is chaired by the Speaker.

### Petitions

- The total number of petitions received from July 2008 to June 2009 is One Hundred and Six (106) and only One (1) Memorandum was received by the Office of the Speaker.
- The total number of petitions resolved/ finalised is fifty four (54).
- The Petitions process is dependent on Departments for the fianlisation of reports that serve before the Petitions Committee.

### Other committees

- The Speaker is a member of the Speakers' Forum, which is a body consisting of the speakers in Gauteng. This forum engages in discussions on matters of mutual concern.
- The Speaker is involved with the Gauteng branch of the South African Local Government Association (Salga). This association concerns itself with national and provincial matters and how they impact on local government.

### The Chief Whip's Office:

- This unit is mainly responsible for the political operations of the Council. This includes acting as a link between the Executive (the Mayoral Committee and the Legislature (the Council)) of the local government and between the ruling party and other parties in the Council. It also ensures that discipline is always maintained .
- Since the Chief Whip is elected from the ruling party in the Council, one of the key political responsibilities of this office is to ensure that the strategic direction adopted by the Municipality is in line with the mandate and policy directives of the ruling party.
- Ensuring that the meetings of the Council and the committees of the Council are quorate;
- Promoting and maintaining positive party-to-party relations;
- Discussing with the Office of the Speaker the order of business of the Council, for example whether a debate on an item should be allowed or whether an item should be debated or put to the vote;
- Organising party caucuses for portfolio committee and Council meetings, planning their agendas and making the necessary logistic arrangements for them;
- Arranging for the necessary resources to be made available to councillors;
- Coordinating the constituency work of councillors;
- Receiving, considering and processing applications for leave of absence by councillors in accordance with the Council's policy; and
- Preparing for special debates (for example the debate on the State of the City Address or on the budget). Despite the political differences between parties, the behind the scenes negotiations

conducted by this office often ensure that contentious issues are resolved in a manner that is consistent with our democratic values as a nation.

Working with the Interim Youth Advisory Council (IYAC), a By-Law on the establishment of Tshwane Youth Development Unit (YDU) was approved by the Council and an Operational Framework was completed with a start up budget of R1.7 million for the next financial year, namely 2009/10. The City of Tshwane completed the establishment of the Youth Development Unit (YDU) in terms of the approved Youth Development Unit By-law. On 2 April 2009, seven (7) Inaugural Members of the Youth Development Unit were appointed.

The Health and Social Development Department will be responsible for the institutional capacity building and mainstreaming of youth development policy decisions to be announced by the YDU from time to time. It will make available necessary support associated with the implementation machinery for youth development within the institution guided by policy decisions.

The City of Tshwane succeeded in formalising an international relations (IR) initiative in the form of a Youth Development Memorandum of Understanding (MoU) and Cooperation Agreement between City of Tshwane and Maasmechelen Municipality in Belgium for the next five years (2008 – 2012) signed by the City Managers of the partner municipalities. Through this MoU, a total of R2,2 million will be spent by Belgians in Tshwane which will benefit the youth in the form of establishment of Youth Information Centres, capacity building for youth officials and volunteer youth workers and schools twinning projects. This year, the Department will facilitate that the Members of the YDU undergo leadership and organisational development training in Belgium as part of the capacity building programme in this partnership.

The City of Tshwane was awarded the 1st Gauteng Golden Circle Award for Best Municipality on Youth Development.

## 5.2.2 HUMAN RESOURCES

### A OVERVIEW AND DESCRIPTION OF KEY ISSUES

The Human Resources Division has been identified as a strategic vehicle in the management of the human resources within the City of Tshwane with specific reference to:

- An effective organisation which will respond appropriately to change.
- Obtain, develop, motivate and use human resources required.
- Create and maintain a cooperative climate of relationships within the organisation.
- Meet the organisation's social and legal responsibilities.

Through its Human Resource Strategy the HR Division aims to contribute to the achievement of the objectives and the fulfilment of the social responsibilities of the City of Tshwane.The HR strategy is consistent with the corporate vision of HR and is captured in similar terms. The central feature of the delivery of the HR strategy is the formation of strategic partnerships with key stakeholders to meet the City of Tshwane Strategic aims.

To this end the key strategic priorities are:

- Leading a citywide approach to the support, reward, development and management of staff so that consistent levels of high performance are the norm.
- The building of institutional capacity to achieve successful change in the short and long term through appropriate leadership and support for managers.
- The establishment and maintenance of effective relations with staff, individually and collectively and with their recognised trade unions to achieve high levels of employee engagement.
- The development of an environment that fosters employee well-being, respect or diversity and difference and in which there is no tolerance of unfair discrimination.
- The development and delivery of HR systems, policies, procedures and structure in a way that is cost efficient and consistent with other elements of the HRS.
- The development of the role of Human Resources staff such that through behaviour and activity every opportunity is taken to model, promote and sustain effective business partnering with stakeholders.

The organisational arrangements within HR have been revised to ensure that HR is fit for purpose and has the capacity and capability to respond to the demands placed on it. The review process resulted into the realignment of HR into the following Key Performance Areas:

| Responsibility | Purpose | Key targets |
|---|---|---|
| Tshwane Leadership and Management Academy | Training services provider within the City of Tshwane | • Support the implementation of the HRS;<br>• Have a comprehensive range of training programmes targeted at meeting the needs of the personal development plans ;<br>• Develop the manager as key focus of organisational change, by improving management and leadership skills, knowledge and behaviours through targeted training programmes;<br>• Strengthen the role of managers in training and developing their staff;<br>• Provide flexible, responsive and accessible training opportunities to advance a positive working environment;<br>• Have an induction training policy which promotes the integration of newly appointed staff into the workplace, in addition to formal induction training;<br>• Adopt a quality approach to the three elements of the training cycle, that is, training needs analysis, delivery and evaluation;<br>• Maximize the range of training and development methods/options for staff including greater emphasis on aspects such as on-the-job training and coaching, mentoring, self-learning, computer-based training, e-learning and action learning;<br>• Have reliable management information systems to maximise economy and efficiency in training and development activities;<br>• Interact, where feasible, with other organisations in identifying and replicating best practice and realising potential for economies of scale. |
| Strategic HR Centre of Excellence | Provide end-to-end Strategic HR Centre of Excellence Services to the City of Tshwane based on the Business Strategy of Strategic Human Resources | • Climate and Culture Surveys;<br>• Change Management System Development and Monitoring;<br>• Change Management Awareness Creation Operation;<br>• Individual Performance Management Enabling Operations;<br>• Individual Performance Management Adjudication and Rewarding Operations;<br>• Individual Performance Management Performance and Non-performance Management;<br>• Process Application;<br>• Organisational and Business Modeling Design;<br>• Productivity and Integrated Process Management;<br>• Remuneration Management;<br>• Job Evaluation Management;<br>• HR Policy and Process Research Management; |
| Labour Relations Management | To provide end-to-end Labour Relations Operations to the City of Tshwane based on the | • Guide the Council on strategic labour matters;<br>• Render a consultation service to client departments regarding the application of policies;<br>• Maintain negotiation forums;<br>• Collective Bargaining; |

| Responsibility | Purpose | Key targets |
|---|---|---|
| | Business Strategy of Strategic Human Resources | • Industrial Relations Client Services;<br>• Arbitrations Assistance. |
| HR Strategic Operations | Provide end-to-end HR Strategic Operations support to the City of Tshwane | • HR Plans, Policies, and Procedures Management;<br>• HR Process, Practices, Systems and Solutions Implementation and Coordination;<br>• HR Relationship Management;<br>• HR Project Management. |
| Strategic Occupational Health and Safety | Empower the local authority and affiliated service delivery agencies to ensure health and safety in the workplace, thereby comply with legislation; prevent loss of productivity and undue financial expenditure | • Occupational Health and Safety Management System Enhancement;<br>• Occupational Health and Safety System Compliance. |
| Employment Equity Management | Facilitate the implementation of EE | • EE Process Management;<br>• Corporate EE Performance Areas Development;<br>• EE Auditing Management;<br>• EE Plan Management;<br>• EE Plan Compliance. |
| HR Shared Services | Contribute to the improvement of the quality of services within the City of Tshwane by providing organisation wide effective and efficient transversal, transactional and professional HR Services that will enable line management to focus on their core business and provide the opportunity to excel. | • To contribute to the improvement of the quality of services;<br>• To deliver best practice procedures and systems that provides organisation wide transactional and professional support services;<br>• To enable line management to focus on their core business and provide the opportunity to excel<br>The following KPA has been ring fenced as HR Shared Services:.<br>• Salary, Benefits and Funds Administration Management;<br>• HR Helpdesk Operations Management;<br>• Recruitment Operations Management;<br>• Occupational Health and Safety Operations Management;<br>• HR Information Management. |

## Analysis of the Function: Human Resources

| Details | 2005/6 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|
| | *Number* | *R* | *Number* | *R* | *Number* | *R* | *Number* | *R* |
| Number and cost to employer of staff employed: | | | | | | | | |
| - Professional (Managerial/ Specialist) | 25 | 12 526 496 | 25 | 13 744 812 | 24 | 14 195 194 | 110 | 47 460 227 |
| - Field (Supervisory/Foremen) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Office (Clerical/Administrative) | 220 | 17 372 095 | 215 | 18 872 337 | 197 | 19 292 327 | 123 | 22 499 534 |
| - Non-professional (blue collar, outside workforce) | 14 | 980 725 | 17 | 1 252 436 | 15 | 2 105 090 | 20 | 2 449 165 |

## Customer Care

The Customer Care Division has established 25 Customer Care Centres to serve the Tshwane Community. A Call Centre was established to deal with all in bound calls and written enquiries. Residents of Tshwane are welcome to contact us by email, post or telephone or by visiting the centre closest to their residential area.

## Analysis of Function: Customer care

| Details | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R | Number | R | Number | R |
| Number and cost to employer of Customer Care staff employed: | | | | | | |
| - Professional (Managerial/Specialist) | 14 | 11 244 911 | 13 | 10 444 911 | 19 | 7 301 088 |
| - Office (Clerical/Administrative) | 114 | 16 755 089 | 154 | 22 223 462 | 160 | 19 720 176 |

## Customer Satisfaction Survey 2009

The 2009 Customer Satisfaction Survey consisted of a survey of 3,000 households and 755 business establishments in Tshwane. The study also included a sample of 20 embassies, as well as a mirror survey of the employees and councillors of the City of Tshwane. The primary purpose of the research among the households, businesses and embassies was to measure satisfaction on municipal service delivery. 325 City of Tshwane employees participated in the mirror survey. The following results emerged from the survey.

## Household satisfaction

44,3% of households were satisfied with the municipal service delivery of the City of Tshwane. The satisfaction levels per region were as follows:

- 62,2% of households in the Southern Region
- 52,3% in the Eastern Region
- 42,2% in the North West Region
- 40,9% in the Central Region
- 27,5% in the North East Region

34,3% of the total respondents of the surveyed across all regions did not have an opinion, therefore only 21,4% were unsatisfied with service delivery.

### Business satisfaction

The table below provides an overview of the business satisfaction levels for all basic services.

| Satisfaction rating | Electricity | Refuse collection | Neighbourhood roads | Sanitation | Stormwater | Water provision | Street lights |
|---|---|---|---|---|---|---|---|
| Large/medium formal business score | 6.99 | 7.37 | 5.82 | 7.73 | 7.03 | 7.46 | 7.22 |
| Large/medium formal business level | Good | Good | Adequate | Good | Good | Good | Good |
| Small formal business score | 6.69 | 7.68 | 6.01 | 7.63 | 6.98 | 7.33 | 6.92 |
| Small formal business level | Good | Good | Adequate | Good | Good | Good | Good |
| Informal business score | 7.58 | 6.48 | 5.29 | 6.48 | 4.47 | 7.47 | 6.28 |
| Informal business level | Good | Good | Adequate | Good | Adequate | Good | Good |
| Total business score | 7.06 | 7.19 | 5.72 | 7.27 | 6.14 | 7.41 | 6.77 |
| Total business level | Good | Good | Adequate | Good | Good | Good | Good |
| % of businesses with > 6 score | 12.8 | 11.5 | 35.8 | 12.1 | 28.6 | 11.2 | 17.1 |

### Embassies

All the embassies who participated in the City of Tshwane satisfaction survey are located in the Inner City of Tshwane. 70% of the participating embassies indicated that they had been located in the City of Tshwane for more than five years. 40% of the respondents were very satisfied with service levels of the City of Tshwane, while only 15% were dissatisfied. 45% of the respondents did not have an opinion.

## Analysis of Function: Corporate Auxiliary and Admin

| Details | | 2008/09 | |
|---|---|---|---|
| | | *Number* | *R* |
| Number and cost to employer of Administrative Services staff employed: | | 686 | 126 759 485.38 |
| | - Professional (Managerial/Specialist) | 30 | 8 086 431 |
| | - Field (Supervisory/Foremen) | 71 | 17 831 077 |
| | - Office (Clerical/Administrative) | 178 | 26 610 170 |
| | - Nonprofessional (blue collar, outside workforce) | 407 | 74 231 808.38 |

## Analysis of Function: Information and Communication Technology Management

| Analysis of the function | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|
| | | Total | R | Total | R | Total | R |
| 1. | Number of ICT Staff and their cost to the Municipality | 72 | 18 720 682 | 68 | 20 218 337 | 66 | 21 835 804 |
| | - Senior managerial (general manager, managers) | 3 | | 3 | | 3 | |
| | - Managerial (deputy managers, chiefs, assistant managers) | 6 | | 6 | | 6 | |
| | - Professional (architects, consultants, project managers, etc) | 23 | | 23 | | 23 | |
| | - Field (supervisors, foremen) | | | | | | |
| | - Office (clerical, administration, secretarial, etc) | 14 | | 14 | | 14 | |
| 2 | Contacting of ICT Staff | | | | | | |
| | -Contract: SAP Support | 41 | 35 285 125 | 41 | 38 935 853 | 41 | 42 286 808 |
| | - Agencies | 29 | 3 893 509 | 29 | 4 282 860 | 29 | 4 711 146 |

## Analysis of Function: Legal Services

| Details | | 2008/09 | |
|---|---|---|---|
| | | *Number* | *R* |
| | - Professional (Managerial/Specialist) | 39 | 221 129.16 |
| | - Office (Clerical/Administrative) | 20 | 4 026 308.20 |

## Analysis of Function: Municipal Courts

| Details | 2008/09 | |
|---|---|---|
| | *Number* | *R* |
| - Professional (Managerial/Specialist) | 10 | 5 179 705.62 |
| - Office (Clerical/Administrative) | 58 | 814 255.55 |

## 5.2.3 PLANNING AND DEVELOPMENT

### CITY PLANNING

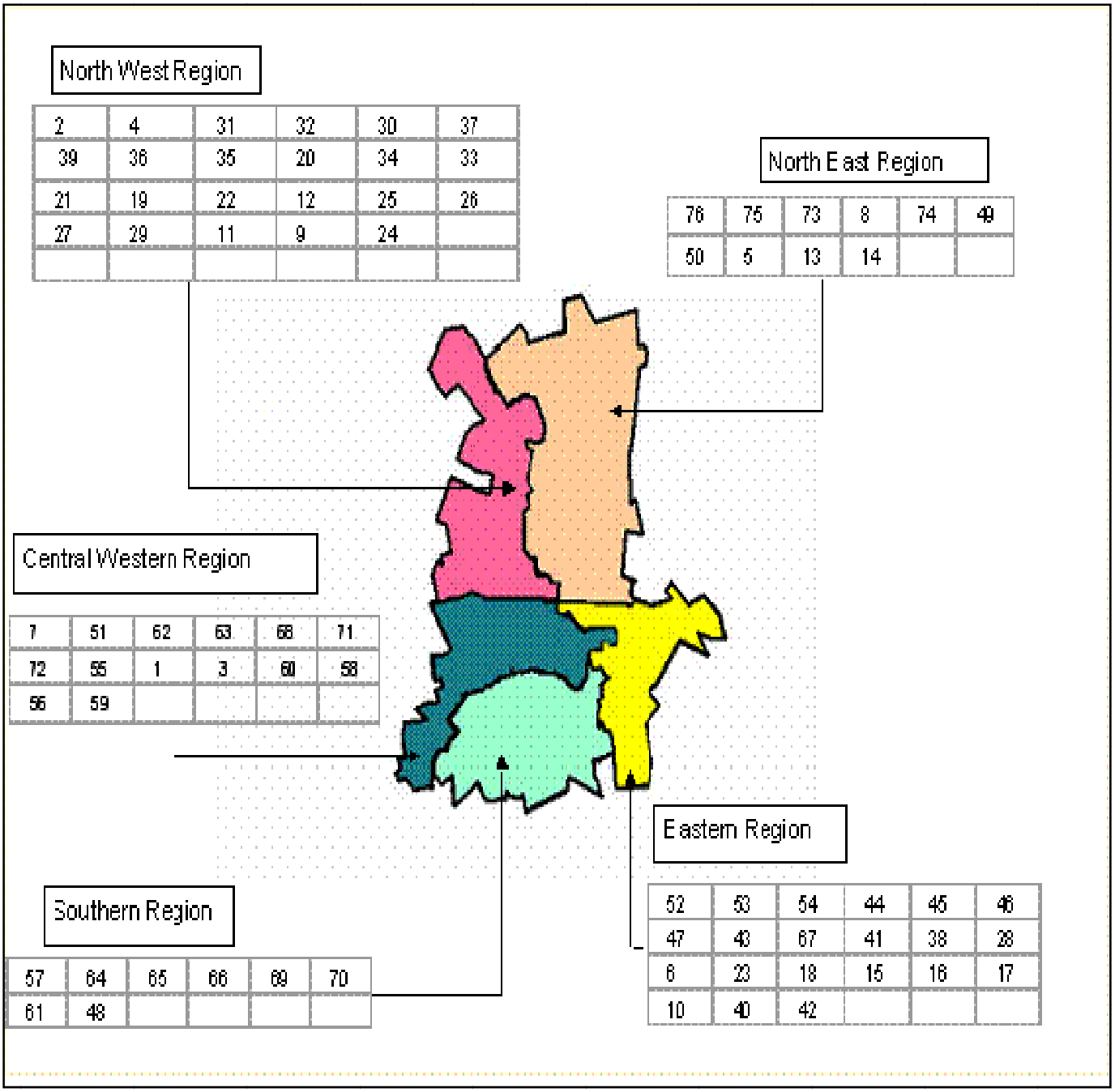
### A Overview and description of key issues

The City Planning and Development Division's main functions are Spatial Planning and Land-Use Management. All of the Division's functions are performed in an integrated and holistic manner to ensure functional interaction between the regions and deals with four issues of metropolitan importance, namely:

- Densification;
- Movement;
- Urban boundary;
- Open space and conservation.

The Tshwane Town Planning Scheme, 2008 was promulgated on 23 April 2008 and came into operation on 19 June 2008. This department also manages outdoor advertising and the enforcement of outdoor advertising bylaws in partnership with the Community Safety Department.

The City of Tshwane has adopted five regions, namely, North East, East, North West, Central and South. Satellite offices have been established to ensure that services are accessible to all residents The long-term objectives of the city are to inter alia, develop regional centres that will provide comprehensive municipal services and inculcate a customer centric culture based on the Batho Pele Principles.




The City Planning Development and Regional Services department has implemented the following initiatives to foster public participation in regional activities

- Precinct Plans and Development Consultative Forum established comprising community representatives, business, NGO and SMME;

- Infrastructure Technical Operations Committees established and functional for all developments in the region namely; Denneboom Solomon Mahlangu square and Municipal Offices, Eerste Fabrieke, Section T, Moretele Park and Mamelodi Rondawels;
- Commenced with the establishment of proper intergovernmental communication structure;
- Embarked on a programme of informing business community about the city plans and development strategies. This programme assisted in attracting more investors in the region.

The Neighbourhood Improvement Programme aimed at soliciting involvement from Ward Committees will be central to working with the regional offices. More focus will be on the delivery and maintenance of basic infrastructure; the provision of housing and rental stock; improvement of roads and stormwater infrastructure; optimal utilisation of recreation facilities; implementation of environmental greening and health programmes; strengthening of the Safety Sector Forums around the 'Take Charge Campaign'; as well as building the capacity of the ward committees.

The City Planning Development and Regional Services Department has established a call centre in the North with the objective to improve service levels to the entire city whilst investing in the north.

### Analysis of the function: City Planning

| Analysis of the function | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|
| | | Total | R | Total | R | Total | R |
| 1. | Number of City Planning staff and their cost to the Municipality | 285 | 85 229 045 | 324 | 103 769 067,00 | 383 | 134 800 000 |
| | - Senior managerial (general manager, managers) | 7 | 4 332 116 | 8 | 6 712 028.60 | 29 | 20 347 371 |
| | - Managerial (deputy managers, chiefs, assistant managers) | 38 | 18 632 901 | 54 | 25 822 242.40 | 37 | 21 305 964 |
| | - Professional (architects, consultants, project managers, etc) | 151 | 48 662 593 | 125 | 46 338 787.60 | 167 | 67 732 346 |
| | - Field (supervisors, foremen) | - | - | | | | |
| | - Office (clerical, administration, secretarial, etc) | 76 | 11 905 929 | 116 | 22 045 500.40 | 106 | 21 152 277 |
| | - Non-professional (drivers, workshop assistants, etc) | 16 | 1 695 506 | 21 | 4 073 746.80 | 13 | 2 647 934 |
| | -Non-professional (clerical, administrative) | | | | | | |
| | -Temporary | - | - | | | | |
| 2. | Contract | 56 | | 70 | 3 471 202,00 | 31 | 1 614 108 |
| 3. | Details and cost of incentives for business investment | | | 54 | 25 822 242.40 | | |
| 4. | Details and cost of urban renewal strategies | | | 125 | 46 338 787.60 | | |
| 5. | Details and cost of rural development strategies:<br>-A multidisciplinary rural strategy to address development in the rural areas (in process of being drawn up) | | | | | | |
| 6. | Number of people employed through job creation schemes:<br>- Short term employment<br>- Long term employment | | | 116 | 22 045 500.40 | | |
| | Number of building inspectors employed and their cost to the Municipality: | | | 21 | 4 073 746.80 | | |

| Analysis of the function | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|
| | | Total | R | Total | R | Total | R |
| | - Chief Building Inspectors | 6 | 1 582 129 | 6 | 1 727 895.16 | 4 | 1 209 526 |
| | - Building Inspectors | 26 | 6 879 657 | 31 | 8 014 113.20 | 32 | 8 686 264 |
| | -Temporary | 3 | 479 426 | 3 | 508 192,00 | 0 | |
| | - Contracts | | | 6 | 1 727 895.16 | 0 | |
| 7. | Details of building plans: | | | | | | |
| | -Number of site development plans approved | 1362 | | 864 | | | |
| | - Number of building plans approved | 16 674 | | 15 781 | | 15 866 | 12 184 970 200 |
| | Number of building plans approved (residential and non-residential combined) | | | 20 032 | | | |
| 8. | Value of building plans approved | | 10 431 463 000 | | 14 468 188 450,00 | | |
| 9. | Number of building related inspections conducted | 80 592 | | 64 244 | | | |
| 10. | Number of contravention notices served | 2 654 | | 3213 | | | |
| | Number of occupation certificates issued. | 11 167 | | 11 192 | | | |

## ECONOMIC DEVELOPMENT

### A Overview

The City of Tshwane through the Department of Economic Development continues to position itself in a manner that seeks to provide leadership and facilitate strategic partnerships in economic development to create an enabling environment that seeks to ensure economic competitiveness, growth, job creation and poverty eradication as anticipated by the Tshwane Growth and Development Strategy (TGDS) and City Development Strategy (CDS). The Economic Development Department has as its strategic focus the following:

- The achievement of shared and accelerated growth;
- A significant contribution towards the provincial economic growth rate target of 8%;
- The reduction of unemployment by 50% by 2014;
- The creation of an environment that will ensure a more balanced sharing of economic benefits between the first and the second economies; and
- The provision of skills required by the economy, building capacity and providing resources across society to encourage self-employment.

The Department is focusing on the following priority sectors:

- Automotive;
- Tourism and related services;
- Agriculture and agro-processing;
- Aerospace and defence systems;
- Mixed manufacturing;
- Business Process Outsourcing and Off-shoring; and
- Research and Development (Knowledge Economy).

The strategic objective of the Local Economic Division is to provide leadership and facilitate strategic partnerships in economic development to ensure competitiveness, growth, job creation and poverty eradication through:

- SMME and Cooperatives Development;
- Export Market Development and Trade Promotion;
- Investment Attraction and Business Retention;
- Business Regulation;
- Economic Infrastructure Development;
- Broad Based Black Economic Empowerment; and
- Sector Development and Support.

The role of the Tshwane Market is to provide a central marketing distribution system primarily for the City of Tshwane and secondarily for the rest of South Africa. In the execution of its role as the central distribution system for the City of Tshwane the market strives to fulfil the following objectives:

- To enhance food security for the City of Tshwane by attracting fresh produce to the market;
- To enhance food safety for the City of Tshwane by regularly inspecting and testing fresh produce sold at the market;
- To provide infrastructure and services which satisfy the market users' needs;
- To contribute towards the City's economic growth; and
- To contribute towards the City's job creation targets.

The Tourism Division's overall approach to tourism development and promotion is to ensure sustainable and responsible tourism development. Sustainable and responsible tourism development explicitly recognises interdependence between environmental, communal, industry, economic and policy issues, and is specifically aimed at protecting and enhancing both the natural and cultural environment, while meeting basic human needs, promoting equity and resulting in an improved quality of life for all.

### KEY CHALLENGES

In the 2008/09 financial year, the key challenges faced by the Department were as follows:

- The global economic downturn and recession resulted in numerous job losses and it had a negative impact on economic growth (which is projected at 8%). There was also a negative impact on unemployment and poverty alleviation interventions, as well as uncertainty from potential investors, therefore not attracting new investments. It is foreseen that the recession will have an even bigger impact in the 2009/10 financial year.

- Highly regulated business environment and the high cost of doing business was a challenge related to the City Planning, Development and Regional Services Department, specifically towards the approval of building plans.

- Misaligned strategies and policies intra and inter Departmental and across different spheres of government.

- The global economic downturn and recession has increased difficulties for SMMEs to obtain the necessary support and funding.

### Analysis of the function

| Statistical information and R expenditure | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | No | Cost | No | Cost | No | Cost |
| Number and cost to employer of all Economic development personnel: | 319 | 45,717,256 | | | | |
| Professional (Directors/Managers) | 54 | 16,115,551 | Strategic Executive Director: 6<br>FPM[15]: 11<br>LED: 11<br>T: 8 | 3 791 093<br>6 890 925<br>5 887 588<br>4 430 219 | Strategic Executive Director: 3<br>FPM: 10<br>LED: 12<br>T: 7 | 1 387 723,00<br>6 284 575,00<br>6 162 768.60<br>3 045 894.80 |
| Total | | | 36 | 20 999 825 | 31 | 16 880 961,00 |
| Field (Supervisory/Foremen) | | | Strategic Executive Director: 0<br>FPM: 35<br>LED: 0<br>T: 4 | 0<br>5 455 318<br>0<br>1 438 632 | Strategic Executive Director: 0<br>FPM: 35<br>LED: 5<br>T:2 | 6 040 849,00<br>298 0874.40<br>677 986.84 |
| Total | | | 39 | 6 893 950 | 42 | 9 699 710.20 |
| Office (Clerical/Administrative) | 202 | 23,655,459 | Strategic Executive Director: 4<br>FPM: 73<br>LED: 15<br>T: 8 | 683 515<br>10 049 266<br>5 347 136<br>1 107 799 | Strategic Executive Director:12<br>FPM: 73<br>LED: 10<br>T:4 | 1 550 455.90<br>13 799 612,00<br>2 837 702.50<br>733 547.62 |
| Total | | | 100 | 17 187 716 | 97 | 18 921 318,00 |
| Non-professional (blue collar, outside workforce) | | | Strategic Executive Director: 0<br>FPM: 61<br>LED: 5<br>T: 17 | 0<br>6 316 682<br>370 146<br>204 000 | Strategic Executive Director: 0<br>FPM: 60<br>LED: 0<br>T: 0 | 720 783.50 |
| Total | | | 83 | 6 890 828 | 60 | 720 783.50 |
| Temporary | 25 | 1,969,595 | FPM: 12 | FPM: R89,597 | Strategic Executive Director: 1<br>FPM: 12<br>LED: 2<br>T: 5 | 22 6321.92<br>178 774<br>236 496<br>69194.15 |
| Contract | 38 | 3,976,651 | FPM: 2 | FPM: R11,616 | FPM:1 | 2816 |

[15] Fresh Produce Market (FPM)

## 5.2.4 HEALTH

The Health and Social Development Department has three divisions and one unit, namely:

- Integrated Community Development (ICD) [16];
- Health Services including Primary Health Care Services in clinics (PHC), Pharmaceutical Services and Municipal Health Services (MHS);
- Emergency Medical Services (EMS);
- Multisectoral Aids Unit.

### AMBULANCES (EMERGENCY MEDICAL SERVICES)

Currently the ambulances are operated from the Primary health Care Clinics. These new arrangements work very well as the Emergency Medical Services are now nearer to the community and more accessible to the citizens.

EMS is responsible for the following services:

- Pre-hospital care of patients;
- Transport of patients;
- Inter-hospital transfers;
- Special events and standby services.

The Gauteng Province is subsidising the ambulance services with 69%. Although the number of patients transported increased while 12% the budget decreased from R56.7 million to R54.1 million. The number of emergency medical incidents responded to by the Emergency Medical Services increased by 12% with existing personnel performing the additional service. The EMS services use a number of volunteers and contract personnel to manage the increased demands.

**Ambulances (Emergency Medical Services)**

Call Analysis:

| Type | TOTAL 2007/08 | % of total | July to Oct 2008 | November to February | March to June 2009 | TOTAL | % of total |
|---|---|---|---|---|---|---|---|
| Priority 1 | 690 | 1% | 288 | 288 | 288 | 865 | 1% |
| Priority 2 | 34205 | 42% | 17280 | 15540 | 16896 | 49717 | 50% |
| Priority 3 | 24460 | 30% | 8186 | 8030 | 8096 | 24311 | 25% |
| Priority 4 | 1488 | 2% | 379 | 382 | 378 | 1138 | 1% |
| Total transport | 60843 | | 21005 | 19112 | 20530 | 76031 | |
| No service/ transport | 21017 | 26% | 8005 | 7286 | 7311 | 22602 | 23% |
| Total | 81860 | 100% | 55143 | 50638 | 53499 | 98633 | 100% |

Breakdown of types of incidents:

[16] Refer to the section on social development for details on ICD

| TYPE | TOTAL 2006/07 | TOTAL 2007/08 | JULY TO OCTOBER 2008 | NOVEMBER 2008 TO FEBRUARY 2009 | MARCH TO JUNE 2009 | TOTAL 2008/09 |
|---|---|---|---|---|---|---|
| 030 Pedestrian | 3.69% | 3.19% | 3.35% | 3.29% | 3.33% | 3.32% |
| 031 Motor | 7.28% | 5.92% | 5.65% | 5.45% | 5.58% | 5.56% |
| 032 Taxi | 0.43% | 0.40% | 0.40% | 0.35% | 0.38% | 0.38% |
| 033 Bus | 0.07% | 0.06% | 0.07% | 0.05% | 0.06% | 0.06% |
| 034 Aeroplane | 0,00% | 0,00% | 0.01% | 0,00% | 0.01% | 0.01% |
| 035 Heavy Vehicle | 0.27% | 0.19% | 0.21% | 0.21% | 0.21% | 0.21% |
| 036 Department Vehicle | 0.19% | 0.11% | 0.03% | 0.30% | 0.03% | 0.12% |
| 037 Train | 0.04% | 0.01% | 0,00% | 0.01% | 0.01% | 0.01% |
| 038 Fell From A Train | 0.42% | 0.19% | 0.23% | 0.19% | 0.21% | 0.21% |
| 039 Motorbike/Bicycle | 1.06% | 0.63% | 0.64% | 0.65% | 0.66% | 0.65% |
| 040 Assault | 14.06% | 12.08% | 11.30% | 10.89% | 10.95% | 11.05% |
| 041 Domestic Accident | 1.78% | 1.15% | 1.31% | 0.95% | 1.33% | 1.20% |
| 042 Industrial Accident | 0.41% | 0.40% | 0.39% | 0.41% | 0.41% | 0.40% |
| 043 Sport Injury | 0.23% | 0.09% | 0.08% | 0.06% | 0.08% | 0.07% |
| 044 Gun Shot | 0.98% | 0.94% | 1.04% | 0.89% | 1.01% | 0.98% |
| 045 Burns | 0.33% | 0.44% | 0.44% | 0.35% | 0.43% | 0.41% |
| 046 Amputation | 0.02% | 0.02% | 0.03% | 0.03% | 0.03% | 0.03% |
| 047 Bleeding | 1.93% | 1.35% | 1.39% | 1.37% | 1.38% | 1.38% |
| 048 Animal Attack | 0.31% | 0.15% | 0.13% | 0.22% | 0.16% | 0.17% |
| 049 Dislocation | 0.40% | 1.10% | 1.07% | 1.19% | 1.14% | 1.13% |
| 050 Medical | 15.13% | 20.11% | 19.45% | 18.15% | 18.44% | 18.68% |
| 051 Maternity | 6.88% | 8.91% | 9.62% | 8.96% | 9.68% | 9.42% |
| 052 Asthma | 1.01% | 1.55% | 1.36% | 1.39% | 1.40% | 1.38% |
| 053 Epilepsy | 2.72% | 1.55% | 1.41% | 1.59% | 1.46% | 1.49% |
| 054 Diabetic | 1.73% | 1.08% | 1.06% | 1.23% | 1.12% | 1.14% |
| 055 C.V.I. | 0.59% | 0.68% | 0.53% | 0.59% | 0.56% | 0.56% |
| 056 Heart Attack | 1.66% | 1.20% | 1.10% | 1.10% | 1.11% | 1.10% |
| 057 Drowning | 0.43% | 0.03% | 0.02% | 0.06% | 0.03% | 0.04% |
| 058 Psychiatric | 2.34% | 0.29% | 0.49% | 0.42% | 0.46% | 0.46% |
| 059 Anaphylaxis | 0.18% | 0.07% | 0.09% | 8,00% | 0.09% | 2.73% |

| TYPE | TOTAL 2006/07 | TOTAL 2007/08 | JULY TO OCTOBER 2008 | NOVEMBER 2008 TO FEBRUARY 2009 | MARCH TO JUNE 2009 | TOTAL 2008/09 |
|---|---|---|---|---|---|---|
| 060 Asphyxia | 2.99% | 1.78% | 1.62% | 1.81% | 1.71% | 1.71% |
| 061 Unconscious | 1.53% | 0.56% | 0.91% | 0.61% | 0.85% | 0.79% |
| 062 Paediatric | 1.47% | 2.68% | 2.05% | 2.09% | 2.10% | 2.08% |
| 063 Collapse | 3.20% | 3.66% | 3.91% | 4.29% | 4.24% | 4.15% |
| 064 Transfer Of Patient | 17.27% | 21.40% | 22.83% | 23.37% | 23.44% | 23.21% |
| 065 Full Resuscitation | 1.14% | 1.37% | 1.51% | 1.27% | 1.46% | 1.41% |
| 066 Emphysema | 0.05% | 0.02% | 0.03% | 0.01% | 0.02% | 0.02% |
| 067 Suffocation | 0.04% | 0.02% | 0.03% | 0.02% | 0.02% | 0.02% |
| 068 Contagious Diseases | 1.83% | 1.58% | 1.29% | 1.52% | 1.40% | 1.40% |
| 069 Rape | 0.05% | 0.02% | 0.03% | 0.03% | 0.03% | 0.03% |
| 070 Miscarriage | 1.22% | 0.89% | 0.98% | 0.76% | 0.79% | 0.84% |
| 200Jump Of A Structure | 0.12% | 0.11% | 0.09% | 0.12% | 0.11% | 0.11% |
| 201 Overdose | 1.19% | 0.92% | 1.03% | 1.20% | 1.09% | 1.11% |
| 202 Gassing | 0.04% | 0.03% | 0.01% | 0.03% | 0.02% | 0.02% |
| 203 Gun | 0.05% | 0.05% | 0.04% | 4,00% | 0.03% | 1.36% |
| 204 Slit Wrists | 0.15% | 0.09% | 0.07% | 0.08% | 0.07% | 0.07% |
| 205 Poisoning | 0.88% | 0.65% | 0.68% | 0.66% | 0.66% | 0.67% |
| 206 Hanging | 0.13% | 0.13% | 0.09% | 0.13% | 0.11% | 0.11% |
| 222 Bomb Threat | 0.02% | 0.01% | 0,00% | 0,00% | 0,00% | 0,00% |
| 333 Riot | 0,00% | 0.01% | 0,00% | 0,00% | 0,00% | 0,00% |
| 444 Hostage | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| 500 Injure-By Fire Works | 0,00% | 0.01% | 0,00% | 0,00% | 0,00% | 0,00% |
| 777 Flooding | 0.02% | 0.08% | 0,00% | 0.21% | 0.06% | 0.09% |
| 888 Building Collapse | 0.01% | 0,00% | 0,00% | 0.01% | 0.01% | 0.01% |
| 999 Bee Attack | 0.02% | 0.01% | 0.01% | 0,00% | 0.01% | 0.01% |

The Tshwane Health District has 47 operational clinics and 7 community health centres. The City of Tshwane is the owner of 23 of the clinics.

There has been an 8% increase in the number of patients treated at the 23 Local government Primary Health Care Clinics. One Professional nurse see's an average of 39 to 40 patients per day and the national norm is 35. There is a need for additional resources. Challenges are also experienced in resourcing the 34 provincial Primary Health Care Clinics in Tshwane.

The Gauteng Provincial Government is responsible for Primary Health Services. According to the current service level agreement between the City of Tshwane and the Gauteng Health Department, local government has to maintain its current services and buildings. The total backlog for maintenance and upgrading of all clinics and the building of new clinics for the Tshwane Health District is R415, 053,000.

Gauteng Province subsidised PHC services with 23% in the 2008/09 financial year, which excluded medicine and laboratory services that are paid directly by the Gauteng Provincial Health to the service provider. Gauteng Province filled nursing posts with provincial staff, which are paid by Gauteng Health Department.

All PHC clinics in Tshwane implemented a Tuberculosis crisis plan for Tshwane to combat TB in Tshwane improving the TB cure rate from 69,4% to 79,6%. The annual rating survey indicated that clients in PHC clinics are 91% satisfied with the clinic environment and 89% are satisfied with the quality of care of the health professionals.

At the end of 2008, one of the HSD Pharmacists' Assistants was chosen joint winner of the Best Pharmacist Assistant of the Year Award in SA for 2008 for her achievements and commitment to her job and the community. This is an annual competition run by the SA Pharmacy Council together with a pharmaceutical manufacturer and it is aimed at encouraging innovation and commitment to the pharmacy profession.

59 initiation schools in Tshwane were registered in 2008 and were being monitored by MHS. An Initiation School Advisory Committee was established in 2008. 76,688kg of unsound foodstuffs in Tshwane have been condemned by MHS.

In November 2008, the City of Tshwane developed a **Draft Indigent Exit Strategy,** based on the principle that the City of Tshwane should provide a "basket" of initiatives to self sustainability of indigent households.

The cholera incidences in the City are under control. The few incidences in the City were imported cases from cholera outbreak areas or had visited those affected areas. An ongoing cholera monitoring programme is in place which involves water sampling from streams, rivers, pipes and sewage systems.

**HIV and /Aids**

HIV and Aids is of great concern to the City as increased infections places pressure on existing services and facilities.

Council approved the Tshwane AIDS Management Strategy and Implementation Plan on 29 November 2007. The outcomes to be pursued are:

| Outcomes to be pursued | Indicators | | | | |
|---|---|---|---|---|---|
| | Current level estimated | Targets in five years | | Targets after first year | |
| Prevention (incidence and prevalence rates) | | | | | |
| | | Number | % | Number | % |
| Reduced incidence in HIV infection | About 6 000 per annum | < 1970 | 67% | 1200 | 20% |
| Reduced prevalence rate of HIV infections and AIDS disease | About 228 000 | 202,200 | 11% | 2,350 | 1% |

The City's main objectives are:

- To reduce the infection rates by 50%, by the end of 2011;
- Reduce the impact of HIV and Aids on the local communities;
- Address the needs of children, women and the poor.

The following progress has been registered:

**1. Local Forums Established**

- Established satellite Multisectoral Aids Management Units and Resource Centres in the five regions of the City to increase accessibility to the local communities;
- Each regional unit has a dedicated coordinator responsible for multisectoral response which includes social mobilisation of all stakeholders for participation;
- The ward based intervention strategy was implemented through pilots in the regions. Further implementation will take place in the 2009/10 financial year;
- Each ward has 25 volunteers who will conduct door-to-door education programmes targeting the previously marginalised and vulnerable communities such as the informal settlements and single sex hostels;
- A total of 400 volunteers have been recruited involving the local structures such as Community Development workers, Ward Committees, Youth and Women led structures, 'nongovernment organisations and faith-based organisations.

**2. Prevention Intervention**

Local taverns and shebeens have been used as community-based condom distribution sites.

Mapping of high transmission areas has been completed. A retention programme targeting people engaging in high risk behaviour such as commercial sex work will be implemented.

The Youth Development Programme will be implemented in Hammanskraal and Mamelodi. Implementation is done in partnership with the City of Delft in the Netherlands.

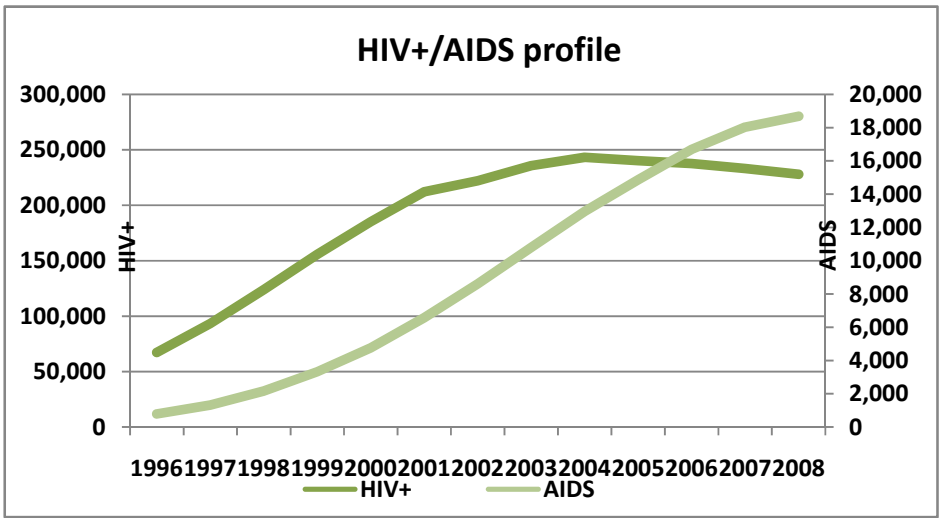
**3. Support Programmes**

PLWHA Support Groups for the infected and affected families and individuals have been established in all the regions. Support for families who lose their loved ones due to AIDS related illnesses is provided

through the grants from DLG for indigent burials. Activities for building capacity for all role players in the City are ongoing.  Stakeholders have requested training.

## 4. Establishment of The Mayoral AIDS Council

The Mayoral AIDS Council was established in May 2009. The City has a partnership with the Foundation for Professional Development which provides secretariat support to the AIDS Council.




### Analysis of Function: Ambulance Services

| Description | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R cost | Number | R cost | Number | R cost |
| Number and cost to employer of all ambulance service personnel: | 185 | R41 942 070 | 233 (include contract workers) | R 50 135 131 | 261 (include contract workers) | R 51,085,386 |
| - Para-professional (Ambulance officers qualified) | 185 | R37 881 794 | 146 | R 46,533,707 | 140 | R 45,401,071 |
| - Non-professional (Ambulance officers unqualified) | 1 | R 160 160 | 1 | R 170 160 | 5 | R 810,441 |
| - Contract | 98 | R3 900 116 | 86 | R 3,627,904 | 116 | R 4,873,874 |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | 185 | R41 942 070 | 233 | R 50 135 131 | 261 | R 51,085,386 |
| Number and total operating cost of ambulance vehicles servicing population: | 1 x City of Tshwane Ambulance and 40 GPG ambulances 6 primary response vehicles. | | 1 x City of Tshwane Ambulance and 47 GPG ambulances (6 primary response vehicles and 4 logistic cars. | R (000s) | All ambulances are on the provincial asset register | R 0,00 |
| Total annual patient head count: | 57 621 | | 60843 | | 76031 | |

| Description | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R cost | Number | R cost | Number | R cost |
| Note: list total number transported | 53621 | | 60843 | | 76031 | |
| GPG Subsidy for ambulance | 1 GPG Subsidy | R38 967 006 | 1GPG Subsidy | R34 202 000 | R 37,903,000 | |
| **Note: total value of specific health ambulance grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.** | | | | | | |
| Total operating cost of health (ambulance) function | **R49 088 167** | | **R56 779 074** | | **R54,165,545** | |

## Functional Analysis Primary health Care clinics:

| Provide statistical information PHC clinic services | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R in thousand | Number | R in thousand | Number | Total budget for year |
| Number and cost to employer of all health personnel: include managers | 257 | | 263 | 62719 (Budget does not include PHC managers) | 215 (Include Managers) | R 86,080,000 |
| Professional (Doctors/Specialists) City of Tshwane and Gauteng Department of Health seconded staff | 15 | 5000 | 15 | 5400 | 8 | R 3,111,000 |
| Professional (Nurses/Aides) City of Tshwane and Gauteng Department of Health seconded staff | 181 | 29000 | 182 | 31320 | 143 | R 26,577,000 |
| Para-professional (Clinic staff qualified) City of Tshwane and Gauteng Department of Health seconded staff | 24 | 5000 | 33 | 7425 | 33 | R 8,019,000 |
| Non-professional (Clinic staff unqualified - Admin Officers)City of Tshwane and Gauteng Department of Health seconded staff | 34 | 4000 | 28 | 3557 | 31 | R 4,254,000 |
| Temporary | 3 | R 0 | 2 | 160 | 0 | |
| Contract | 0 | 0 | 1 | 145 | 0 | |
| Total operating cost of health (clinic) function | | R79 million | | R85 403 515 (without managers) | | R 111,295,000 (Include managers) |
| Subsidy Gauteng | | | | | | R 25,926,201 |

## 5.2.5 COMMUNITY AND SOCIAL SERVICES

### A AGRICULTURE AND ENVIRONMENTAL MANAGEMENT

As part of the City's contribution towards the progressive realisation of the right to food approach as enshrined in Section 17(1) (b) of the Constitution, the City of Tshwane approved an Integrated Agricultural Development Policy. This development then strategically placed the City of Tshwane as the first metropolitan to with a dedicated Agricultural Management Division to institutionalise peri-urban and urban agriculture to reduce the impact of food security through the promotion of food production.

The Agriculture and Environmental Management Department is well positioned to deal with the dual aspect of both social and infrastructural development in the region of Tshwane. Our staff takes both the environmental and agricultural tasks to heart. Working together with our communities the Department is ready to play a leading role in service delivery resulting in improved quality of life for all – ***We clean, we green, we grow***.

The Agriculture and Environmental Management Department facilitated a total investment of R2,941,200 to support the erection of farm infrastructure ranging from boreholes, fencing, poultry houses, piggery units, production tunnels etc., from the United Nations' Food and Agriculture Organization (FAO) and Comprehensive Agricultural Support Programme (CASP).

The Department trained 659 emerging farmers and cooperatives in various modules of agriculture including Agricultural Marketing, Management of Cooperatives and Vegetable Production.

The Department distributed 1,196 agricultural starter packs during the financial year 2008/09 to support the establishment of food gardens in schools and households in areas of backlog.

The City of Tshwane's Environmental Best Practices Guideline has been drafted to promote Best Practices in terms of green procurement, paper management, hazardous waste management and energy management within the City of Tshwane. Office paper recycling bins have been placed at 65 points in various City of Tshwane buildings in an effort to promote waste minimisation within the City of Tshwane.

The Environmental Management Division is in the process of developing a Green Buildings By-Law and incentives scheme to guide environmentally friendly developments with the City.

The Environmental Management Division is responsible of ensuring that residents have access to the following:

- Parks;
- Landscaped public facilities;
- Nature reserves;
- Resorts and swimming pools;
- Safe, adequately maintained and aesthetic public open spaces; and
- A clean and sustainable living environment.

The Environmental Management Division comprises the following sections:

- Environmental Space Planning is responsible for policy formulation with regard to open space planning (Tshwane Open Space Framework) and undertakes high order strategic planning studies such as Environmental Management Frameworks and Strategic Environmental Assessments within priority intervention areas.

- Environmental Policy and Resource Management which focuses on:

    - Corporate environmental compliance and responsibility;
    - State of the environment reporting;
    - Environmental information management to guide decision making;
    - Providing environmental policy directives relating to governance issues and environmental protection;
    - Providing information to guide decision making;
    - Facilitating environmental education.

- Nature Conservation and Resorts supplies, promotes and maintains urban conservation, outdoor leisure, visitor facilities and water related activities to residents and tourists in the Tshwane Metro boundaries. The Department manages approximately 16 000Ha of nature areas citywide that include 9 Nature Reserves, 9 Bird Sanctuaries, Nature areas (Mountains, ridges, 118 river systems of approximately 1,400 km, 5 catchment areas within 5 different veld types), 9 Recreation Resorts, 4 Camping areas and caravan parks, 2 Animal farms and 23 Swimming Pools.

- At the Rietvlei Nature Reserve there are currently 1,434 head of game (including Rhino, Buffalo, Hippo, Cheetah, etc). This Municipal Nature Reserve is located 25 km from Church Square. At the Groenkloof Nature Reserve there are 209 head of game (including Sable Antelope, Giraffe, Kudu, etc.) and located 6 km from Church Square. The estimated asset value of the animals as at 30 June 2009 was R17,007,998.50 for a total of 2,582 animals.

- Parks, Horticulture and Cemetery Services Provision Management focuses on:

    - The supply of aesthetically acceptable burial space;
    - The rendering of a cremation service;
    - Provision of parks and other recreation facilities;
    - Beautification of the City through landscaping and maintenance of city entrances, traffic islands, malls, boulevards and squares;
    - Horticultural maintenance of undeveloped open space and road reserves as well as sport facilities and Council gardens;
    - Training horticultural students from the Tshwane University of Technology;
    - Provision of a Park Ranger Service.

## Analysis of Function: Environmental Management

| Details | 2005/06 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|
| | Total | R | Total | R | Total | R | Total | R |
| Number of staff associated with cemetery services and their cost to the Municipality: | 35 | 6 419 315 | 35 | 6 419 315 | 35 | 7 484 800 | 28 | R 7,048,034.12 |
| Total operating cost of Cemetery Services | 632 | 916 000 | 294 | 1 212 973 | 218 | 378 600 00 | | R26 068 007,00 |
| Number of staff associated with Parks and Horticultural Services and their cost to the Municipality: | 1049 | 13 367 695 | 1053 | 13 767 695 | 1467 | 80,116,824 | 937 | R 121,347,249.78 |
| Total operating cost of Parks and Horticultural Services function: | | 147 606 719 | | 149 835 887 | | 149,879,709 | | R114 658 197,00 |
| Number of staff associated with Nature Conservation and Resorts Services and their cost to the Municipality: | 467 | 9 109 951 | 474 | 9 789 717 | 561 | 23 519 455 | 168 | R 25,581,298.48 |
| Total operating cost of function | | 48 375 940 | | 33 353 137 | | 67 108 900 | | R59 578 976,00 |
| Number of staff associated with Environmental Policy and Resource management and their cost to the Municipality: | 11 | 4 967 430 | 13 | 5 217 621 | 12 | 5 485 932 | 16 | R 6,705,246.54 |
| Total operating cost of function: | | 5 738 886 | | 6 041 398 | | 6 851 666.86 | | R7 517 519,00 |
| Member of staff associated with Open Space Management and their cost to the Municipality: | | N/A | | N/A | | N/A | 11 | R 4,966,505.32 |
| Total operating cost of function: | | | | | | | | R2 851 570,00 |

## Analysis of the function: Agricultural Management

| Details | 2005/06 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|
| | Total | R | Total | R | Total | R | Total | R |
| Number of staff associated with Agricultural Management | | N/A | | N/A | | N/A | 6 | R 3,599,328.22 |
| Total operating cost of function: | | | | | | | | |

## B SPORT, RECREATION, ARTS AND CULTURE

## Overview and description of key issues

Community Libraries and Information Services act as an agent for community development and education. Services include:

- Information provision;
- Support to education;
- Develop and maintenance of a reading culture;
- Develop and maintain electronic network;
- Present outreach and development programmes;
- Develop and maintain existing facilities;
- Develop new facilities in underdeveloped areas;
- Ensure equal distribution of facilities, services and programmes.

The Arts, Culture and Heritage Division is the custodian of arts, culture and heritage in the City of Tshwane. This is promoted by:

- The Development of Arts, Culture and Heritage in the City of Tshwane areas;
- The Cultural Diversity of Tshwane;
- Ensuring access at cultural facilities by all communities of Tshwane;
- Providing the necessary culture infrastructure for the development of arts and culture;
- Upgrading of Museums;
- Construction of the Suurman Community Hall;
- Indigenous Dance and Music Development;
- Classical Dance Development;
- Visual Arts Development;
- GEBRASA Cross Cultural Exchange Programme;
- Cultural Heritage and Legacy Programme;
- Museum Educational Assistants and Tour Guide Training Programme.

The Sport Division strives to provide excellent sport and recreation facilities and services to all people in Tshwane. Sport Management entails:

- Effective maintenance of sport and recreation facilities in the City;
- Develop sport and recreation related infrastructure in areas with the greatest need;
- Upgrading of sport and recreation infrastructure in line with changing community needs;
- Presentation of world class sport events
- Presentation of sport development programmes;
- Partner with the Provincial Government to ensure the success of their Mass Participation Programme;
- Provide a sport and recreation related information service to the community at all service points.

Presently there are 306 sport and recreation facilities in Tshwane.

The City of Tshwane was co-host to the very successful Confederation Soccer Tournament that was held in June of this year. Other highlights include:

- Completion of Atteridgeville Super Stadium Upgrades;
- Re-establishment of Centurion Rugby Club which was affected by Gautrain Construction;
- Signing of a Lease Agreement with the SA Gymnastics Federation for the Eldoraigne Matsport Centre, thereby ensuring that they get equipment to the value of R1.5 million, which would hugely benefit the City.

### Analysis of Function: Sport, Recreation, Arts and Culture

| Nature and extent of facilities provided: | 2006/07 | | | 2007/08 | | | 2008/09 | | |
|---|---|---|---|---|---|---|---|---|---|
| | No of facilities: | No of users | R operational cost | No of facilities: | No of users | R operational cost | No of facilities: | No of users | R operational cost |
| Library services | 38 | 2 201 524 | 10 940 968 | 45 (2 not open pending naming process) | 2,458,617 | 17,232,689 | 45 (1 not opened pending naming process) | 2 393 903 | 18 713 479 |
| Museums and art galleries | 3 museums and 1 art gallery | 32000 | | 3 museums and 1 art gallery | 41 334 | 6 312 013 | 3 museums and 1 art gallery | | 1 757 732 |
| Other community halls/facilities | 6 culture facilities | 120 000 users per year | | 6 culture halls | 140 000 | 3 158 995 | 6 culture facilities | | 1 265 468 |
| Sporting facilities (specify) | 16 Multipurpose Courts | 14 892 bookings per year | | 16 Multipurpose Courts | | | 16 Multipurpose Courts | | |
| | 28 Rugby Fields | About 28 925 bookings per year | | 28 Rugby Fields | 28 048 for the year | | 28 Rugby Fields | | |
| | 30 Cricket Pitches | | | 30 Cricket Pitches | | | 30 Cricket Pitches | | |
| | 31 Netball Courts | | | 31 Netball Courts | | | 31 Netball Courts | | |
| | 32 Basketball Courts | | | 32 Basketball Courts | | | 32 Basketball Courts | | |
| | 313 Tennis Courts | | | 313 Tennis Courts | | | 313 Tennis Courts | | |
| | 88 Soccer Fields | | | 88 Soccer Fields | | | 88 Soccer Fields | | |
| | 117 Scraped Fields | | | 117 Scraped Fields | | | 117 Scraped Fields | | |
| | 40 Bowling Greens | | | 40 Bowling Greens | | | 40 Bowling Greens | | |
| | 20 Korfball Courts | | | 20 Korfball Courts | | | 20 Korfball Courts | | |
| | 11 Athletics Tracks | | | 11 Athletics Tracks | | | 11 Athletics Tracks | | |
| | 1 Hall for Disabled | | | 1 Hall for Disabled | | | 1 Hall for Disabled | | |
| | 1 Tug of War Field | | | 1 Tug of War Field | | | 1 Tug of War Field | | |
| | 16 Squash Courts | | | 16 Squash Courts | | | 16 Squash Courts | | |
| | 15 Softball Diamonds | | | 15 Softball Diamonds | | | 15 Softball Diamonds | | |
| | 8 Hockey Fields | | | 8 Hockey Fields | | | 8 Hockey Fields | | |
| | 2 Pigeon Clubs | | | 2 Pigeon Clubs | | | 2 Pigeon Clubs | | |
| | 1 Wrestling Club | | | 1 Wrestling Club | | | 2 Wrestling Club | | |
| | 1 Gymnastics Club | | | 1 Gymnastics Club | | | 1 Gymnastics Club | | |

| Nature and extent of facilities provided: | 2006/07 | | | 2007/08 | | | 2008/09 | | |
|---|---|---|---|---|---|---|---|---|---|
| | No of facilities: | No of users | R operational cost | No of facilities: | No of users | R operational cost | No of facilities: | No of users | R operational cost |
| | 38 Jukskei Pits | | | 38 Jukskei Pits | | | 38 Jukskei Pits | | |
| | 2 Golf Courses | | | 2 Golf Courses | | | 2 Golf Courses | | |
| | 2 Pitch 'n Putt | | | 2 Pitch 'n Putt | | | 2 Pitch 'n Putt | | |
| | 1 Radio Yacht Club | | | 1 Radio Yacht Club | | | 1 Radio Yacht Club | | |
| | 2 Driving Ranges (Golf) | | | 2 Driving Ranges | | | 3 Driving Ranges | | |
| | 3 Runners Clubs | | | 3 Runners Clubs | | | 3 Runners Clubs | | |
| | 5 Sport Centres | | | 5 Sport Centres | | | 5 Sport Centres | | |
| **Total Sport Facilities** | **300** | | | **306** | | | **308** | **41400** | **94 654 375** |
| Number and cost to employer of all personnel associated with each community services function: | **No of personnel** | | **R(000s)** | **No of personnel** | | **R(000s)** | **No of personnel** | | **R(000s)** |
| Library services | 193 | | 32 800 000 | 195 | 2,458,617 (visitors) | 33,400,675 | 178 | 2 393 903 (visitors) | 38 226 453 |
| Museums and art galleries | 21 | | 5 700 000 | 04 | 39 000 | 5 564 144 | 41 | | 3 839 594 |
| Other community halls/facilities | 29 | | 2 720 000 | 07 | 140 000 | 3 158 995 | Personnel divided into other three sections | | 4 429 556 |
| Sporting facilities | 95 | 28 925 bookings | 14 900 000 | | 28 048 bookings | | 99 | 41 400 bookings | 17 477 163 |

## C SOCIAL DEVELOPMENT

### Overview and description of key issues

Integrated Community Development entails:

- The implementation of the Indigent Policy and the maintenance of the Indigent Programme and the exit programme for the indigent;
- Early Childhood Development, which is one of the World Health Organisation's first priority programmes in the world for children aged 0 to 9 years. Currently we focus on the 0 to 5 age group due to resource challenges. Partnerships with community-based organisations (community-based organisations) and nonnongovernment organisations (nongovernment organisations) are required to address the needs of the following:
  - Children in crisis;
  - Child-headed families;
  - Support to caregivers;
  - Special programmes for traumatised children.
- The implementation of beneficiary programmes for the youth, women, people living with disabilities and the elderly;

- Empowerment and capacity-building of nongovernment organisations and faith-based organisations (faith-based organisations) to ensure effective and efficient service delivery at grass roots level;
- Social research for poverty alleviation initiatives; and
- Development of policies/ strategies for targeted groups.

## D HOUSING

### OVERVIEW

The Housing and Sustainable Development Department was established in July 2007. It comprises two Divisions viz Housing Provision and Resource Management and Housing Administration. Housing is responsible for the provisioning of adequate housing opportunities for residents in the City of Tshwane. It performs the following functions:

- Rental housing administration;
- Hostel redevelopment;
- Sales, transfers and beneficiary administration;
- Informal settlement and land invasion management;
- Institutional housing facilitation;
- Community participatory management;
- Consumer education;
- Demand database administration;
- Housing provision project management.

Provincial Government is responsible for the management of the subsidised Housing Programme. The City of Tshwane has to implement provincially approved subsidised housing projects.

The key strategies and challenges facing service delivery in the period under review were:

- Curb land invasion and manage informal settlements to limit the growth of the existing housing backlog;
- Perform a community liaison function to ensure that development is informed by and meets the needs of the target communities;
- Provide low-cost housing opportunities for households earning less than R10,000 per month, including the provision of rental property options;
- Provide quality basic services and infrastructure;
- De-stigmatise hostels through the CRU Programme;
- Transfer Municipality-owned rental properties to beneficiaries through the discount benefit scheme;
- Run an effective Housing Subsidy System (demand data base, beneficiary administration system) and consumer education programme;
- Empower communities through housing support centres by educating them on the importance of savings;
- Facilitate the provision of institutional housing opportunities to integrate and densify the city;

- Identify sites for new subsidized housing projects, source subsidy funding from the provincial government and implement the projects;
- Set up labour base construction projects to create employment opportunities for the unemployed within the City of Tshwane;
- Provide a shelter for the homeless;
- Implementation of Informal Settlement Management Plan. This has been regarded as a benchmark for Gauteng Province;
- Provide clean water through water tankers and JoJo tankers to informal settlement communities;
- Provide chemical toilets at certain informal settlements;
- Twenty Prioritised township programmes in Mamelodi, Atteridgeville and Soshanguve;
- Provide a service for all Landlords and Tenants through the Rental Housing Tribunal Information Offices.

The City of Tshwane follows a dual approach towards housing delivery which comprises the following two programmes:

**Consolidation Programme**: which seeks to complete and consolidate existing housing initiatives in all areas in the City of Tshwane with the aim to improving and supporting the sustainability and viability of these communities, and addressing the most urgent local needs and backlogs through:

- Formalisation of informal settlements;
- Hostels upgrading;
- Top 24 Programme;
- Backyard upgrading.

**Intervention Programme**: which aims at promoting higher density, mixed income (Inclusionary Housing) and mixed land use residential developments within a 20 km radius around the Tshwane Inner City through:

- Breaking New Ground/Inclusionary Housing;
- Social Housing;
- Rental Stock.

A key challenge that the City will continue to try and address with other key role players would be to ensure that such settlements have access to schools and other social facilities. The City of Tshwane will continue to pursue the implementation of the alternate financing models for housing service delivery, examples of which are outlined in the MHDP.

In line with the Government's BNG policy, the key focus is the transformation of the hostels from single gender dormitory type accommodation to self-contained single, communal or family units with a choice of rental or ownership of tenure. The latter can be in the form of subsidy scheme housing or bonded units.

The aim is to integrate hostels with the existing townships. In both Mamelodi and Saulsville the department is busy with the redevelopment of the hostels. In Mamelodi 98 family units were allocated during 2008-2009. Other areas identified for this programme include Soshanguve, Belle Ombre and Kingsley hostels.

Mamelodi Hostel - The Department constructed 300 temporary residential units to accommodate residents of blocks identified for demolition. Construction of 148 rental and fully subsidized units has commenced.
Saulsville Hostel - The Department commenced with the construction of 129 family units to accommodate hostel residents in decent accommodation.

The Department identified four city-owned inner City high density residential complexes for immediate refurbishment in terms of the Community Residential Units (CRU'S) Programme. Funding was secured from the Provincial Department of Local Government and Housing.

The City of Tshwane initiated a process with all relevant stakeholders to develop a homeless shelter, with services and programmes (both rehabilitative and preventive) to address the phenomenon of homeless people in the City of Tshwane. Between 300-350 homeless people including women and children use the shelter every night. Several community members of TSHWANE are assisting at the shelter.

The Gauteng Rental Housing Tribunal was established under the Rental Housing Act 50 of 1999. It is a subsection in the Housing Administration Division, and its main objective is to promote stability in the rental housing sector by facilitating the relationship between the tenants and landlords. We have established four Information Offices in the City, where people who have disputes with their tenants/landlords, can register their complaints.

The offices are located in Bothongo Plaza East (PTA Central), Laudium Municipal offices, Akasia Municipal office and Centurion Municipal Offices.

The circuit court has been established and launched in Centurion on 12 March 2009.

### SOCIAL HOUSING

In terms of the Housing Code and the Institutional Housing Policy, social housing programmes and projects are ideally developed and managed by Social Housing Institutions (SHIs). In Tshwane, one such SHI (Housing Tshwane) has been established by the City to develop and manage social housing.

A report on the City's restructuring zones was approved by the Council on 29 May 2008 to approve the proposed provisional restructuring zones to support housing delivery in Tshwane. Restructuring zones are clearly demarcated areas within an urban area's development zone for purposes of fast-tracking all forms of development (including social housing).

Council approved a report for Yeast Housing to facilitate the development of social housing and transitional housing in the City (that is offering various affordable, subsidized housing options).

Title Deed launches took place as follows:

- As part of the former President, Mr Nelson Mandela's birthday celebrations 20 Title Deeds were issued by the Executive Mayor, Dr Gwen Ramokgopa in Stinkwater on 17 July 2008.
- 94 Title Deeds were issued by MMC: Councillor A.M. Ditshoke as part of the ADARDI Programme in Nellmapius on 24 March 2009.
- 577 Title Deeds were issued by MMC: Councillor A.M. Ditshoke in Ga-Rankuwa Ext 20 on 26 May 2009.

9,285 Households currently residing in informal settlements were registered and their shacks marked to curb growth of informal settlements. Whilst the Department succeeded in curbing the mushrooming of new informal settlements, curbing growth of existing informal settlements remains a challenge in view of the age of certain settlements. The Department formalised through planning and relocation nine informal settlements.

The Thorntree View project[17] is underway at Soshanguve. The project will see the development of approximately 12,000 mixed income integrated residential units. The project is aimed at specifically addressing the eradication of informal settlements in Soshanguve and the accommodation of the gap housing segment of the housing market. Construction of a 17,000 m² community neighbourhood shopping mall has commenced and is earmarked for completion in December 2009.

In line with the City's eradication of bad buildings programmes the Department identified and secured funding from the Provincial Department of Local Government and Housing to refurbish City-owned high density residential complexes[18].

### Analysis of Function

| Description | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Total | R | Total | R | Total | R |
| Number and cost of all personnel associated with the provision of municipal housing: | 280 | 41 548 861 | 320 | 58 178 195 | 298 | 60 715 882 |
| - Senior managerial (general manager, managers) | 5 | 3 058 859 | 3 | 3 127 630 | 5 | 4 472 926 |
| - Managerial (deputy managers, chiefs, assistant managers) | 7 | 3 410 689 | 6 | 3 020 950 | 14 | 8 108 589 |
| - Professional (architects, consultants, project managers, etc) | 15 | 4 862 095 | 14 | 5 703 544 | 33 | 17 398 817 |
| - Office (clerical, administration, secretarial, etc) | 110 | 21 538 609 | 129 | 27 405 866 | 103 | 18 459 590 |
| - Non-professional (drivers, workshop assistants, etc) | 143 | 6 678 609 | 9 | 2 328 761 | 6 | 1 450 707 |
| - Workers | 113 | 8 245 550 | 123 | 14 501 500 | 102 | 9 514 853 |
| - Temporary | 36 | 1 326 000 | 36 | 2 089 944 | - | - |

[17] A national model flagship integrated sustainable human settlement project
[18] This is done in terms of the approved Community Residential Units Programme.

| Description | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Total | R | Total | R | Total | R |
| - Contract | Not available | Not available | Not available | Not available | 35 | 1 310 400 |
| Number and total value of housing projects planned | | | | | | |
| - The 2008/09 financial year | | | | | | |
| Serviced stands | 12 000 | 168 000 000 | 12 000 | 191 904 000 | 3 650 | 192 720 739 |
| Top-structures | 6 000 | 112 800 000 | 6 152 | 184 363 136 | 1 566 | 134 994 361 |
| Serviced stands (complete by 2010) | 150 052 | 2 255 131 508 | 58 460 | 794 950 368 | 58 460 | 794 950 368 |
| Top-structures (complete by 2010) | 160 052 | 3 440 957 948 | 26 899 | 888 373 136 | 26 899 | 888 373 136 |
| Total of type, number and value of housing provided | | | | | | |
| Residential stands serviced | Water<br>19 256<br><br>Sewer<br>19 376 | 156 609 579 | Water<br>12 000<br><br>Sewer<br>12 006 | Water<br>35 978 806<br><br>Sewer<br>28 359 221 | Water<br>3 276<br><br>Sewer<br>3650 | 40 497 355<br><br>39 819 676 |
| Low-cost housing top-structures | PRTs = 1,725<br>City of Tshwane =<br>5,884<br>7,609 | 133 162 615 | PRTs =5 810<br>City of Tshwane<br>6 152<br>11 962 | 125 175 979 | City of Tshwane<br>1566 | City of Tshwane<br>134 994 361 |
| Hostels redeveloped (that is number of family units developed) | 360 | 35 629 314 | 0 completed – still under construction | 21 645 142 | 0 completed – 129 (Saulsville) under construction | 20865917 (Saulsville)<br>17677299 (Mamelodi) |
| Rental units available (no new units developed) | 2 312 | Not available | 2 312 | Not available | 2 423 | - |
| Rental units in Schubart Park and Kruger Park | 1 134 | Not available | 1 134 | Not available | 813 (321 vacant at Kruger Park) | 19 217 290 |
| Institutional housing units Planning Process (Private funds) | Planning and design<br>HCT = 767 units<br>Yeast = 460 units | | 2 705 units<br>Townlands = 767<br>Absa Olievenhoutbosch = 1263<br>Yeast = 675 | Units still in planning phase – awaiting funding | 2705 units | - |
| Total number and value of rental received from Municipality-owned rental units | A total of 53.98% was received from all units (flats, houses, etc – 2312 units) | 5 919 478 | 49,5% | Accumulative income<br>R6 057 479<br>Projected Income<br>R12 218 197,00 | 46,6% income received | Actual income<br>R6 182 115<br>Projected income<br>R13 256 736 |
| Estimated backlog in number of housing units (and cost to build them): | Not available | Not available | Not available | Not available | Not available | Not available |
| From aerial photographs taken during February 2005 and counted in March 2005 (number of families) | 133 811 | 4 873 530 431 | 133 811 | 6 021 495 000 | 133 811 | 7 312 771 150 |
| habitat breakdown (estimates): | | Not available | | Not available | Not available | Not available |
| Number of people living in a house or brick structure | 5 | Not available | Not available | Not available | Not available | Not available |
| Number of people living in a | 5 | Not available | Not available | Not available | Not available | Not available |

| | | | | | | |
|---|---|---|---|---|---|---|
| traditional dwelling | | | | | | |
| Number of people living in a flat in a block of flats | 5 | Not available | Not available | Not available | Not available | Not available |
| Number of people living in a town, cluster or semi-detached group dwelling | 5 | Not available | Not available | Not available | Not available | Not available |
| Number of people living in an informal dwelling or shack | 5 | Not available | Not available | Not available | Not available | Not available |
| Number of people living in a room or flat let | 3 | Not available | Not available | Not available | Not available | Not available |
| Type and number of grants and subsidies **received**: | Top Structures<br>Services | 71,475,510,00<br>85,129,903.21<br>156,605,413.21 | Services and Top structures<br>MIG | Gauteng<br>Services<br>R21 172 616.76<br>Houses<br>R102 801 928,00<br>MIG<br>R1 855 333,00<br>North West<br>Houses<br>R49 385 832.72<br>Total<br>R175 215 710.40 | Services<br><br>Top Structure | R132 393 135<br><br>R136 182 561 |
| Hostel redevelopment (July 2008 to June 2009**) received** | 360 | Saulsville Hostels<br>8,835,000<br>Mamelodi Hostels<br>3,336,802 | 240 | Saulsville<br>Hostels<br>0,00<br>Mamelodi Hostels<br>0,00 | 190 | Saulsville<br>R2 951 100<br>Mamelodi<br>R3 279 000 |
| Gauteng Provincial Government (subsidies allocated directly to a regional professional team that is not provided for on CITY OF TSHWANE budget) | Services<br>R246 066 677<br>Houses<br>R104 977 398<br>Hostels<br>R16 960 000<br>Total<br>R368 004 075 | | 0 | 0 | Top structures only | R717 400 000 |
| Total operating cost of housing function (total from medium term budget 2008/09) | - | R130 636 568<br>(Excluding top-structures) | - | R252 444 599.48 | - | R278 050 095.82 |

## 5.2.6 ELECTRICITY

### DISTRIBUTION: OVERVIEW AND DESCRIPTION OF KEY ISSUES

The electricity supply and distribution functions of the Municipality include the provision of electricity and other alternative energy to the residents of Tshwane and other areas in terms of National Energy Regulator of SA (NERSA) licence of supply. Key objective of the Energy and Electricity is to eradicate backlogs and ensure provision of electricity to all residents of City of Tshwane to implement infrastructure investment programmes that address new needs and to assist poor communities by providing free basic energy and social support package.

Energy and Electricity is one of four divisions of the Public Works and Infrastructure Development Department.

The strategic objectives of Energy and Electricity's function are to:

- Provide access to electricity to all residing within the City of Tshwane's boundaries;
- Implement infrastructure investment programmes that address new needs;
- Provide integrated maintenance for all infrastructures;
- Target procurement programmes that supports BBBEE and local economic empowerment;
- Provide free basic energy and social support package for the indigent;
- Consolidate the consumer base and support maximum revenue collection;
- Develop the Department's human capital through training, consultation with employee/representatives, participation and implementing programmes that promote equity and gender representation.

The key issues for 2008/09 were:

- The eradication of Infrastructure Backlogs by 2012 by providing electricity connections to end users;
- Maintaining the current electricity generation and distribution infrastructure to ensure reliable and continued supply (limiting the number of outages);
- Promoting the usage of electricity by the public, businesses, and industry.

In the area of growth that is new business/commerce and industrial connections, 93% of all applications were processed. The balance will be completed within time frames in the new financial year.

Installation of public lighting is done in all new developments, rural or tribal land and at the informal settlements which are being proclaimed. Public consultation is done where members of the public participate during the implementation of the projects. High mast lights are installed in high crime spots, while street lights are installed on the main bus roads. The programme was not completed as the tender was not approved.

MIG provides 70% of funds and Tshwane contributes 30% of the top up funds to ensure that the public lighting projects are successful. 3,088 New street lights were installed in the 2008/09 financial year.

A pilot project to install alternative energy sources at the Reinotswe Special School in Winterveld was implemented. The project entailed the installation of a Solar Voltaic System and Solar Water Heaters to complement the ailing/unreliable electricity supply to the school. The system has the potential to function independently (sourcing renewable energy from the sun). The project was done by City of Tshwane (EED) and Eskom (DSM).

## Analysis of Function: Electricity - Distribution

| Statistical Information | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | No | R (000s) | No | R (000s) | No | R (000s) |
| **Number and cost to employer of all personnel associated with the electricity distribution function:** | | | | | | |
| - Professional (Engineers/Consultants) | 184 | | 188 | | 186 | 444 507 |
| - Field (Supervisors/Foremen) | 172 | | 212 | | 189 | |
| - Office (Clerical/Administration) | 71 | 378 386 | 147 | 409 842 | 109 | |
| - Non-professional (blue collar, outside workforce) | 1,338 | | 1256 | | 1 210 | |
| - Temporary | <total> | <cost> | - | - | | |
| - Contract | <total> | <cost> | 796 | 67 950 | 954 | 62 973 |
| **TOTAL** | **1 879** | **378 386** | **2 603** | **477 792** | **2 648** | **507 488** |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. | | | | | | |
| **Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer:** | | | | | | |
| - Residential, Commercial and residential | 3,853,927,548 | 708,916 | 3 926 524 059 | 717 539 | 8 056 919 642 | 4 511 875 |
| - Other | <volume> | <cost> | <volume> | <cost> | | |
| **TOTAL** | 9 662 GWh | 1 701 012 487 | 9 799 GWh | 1 791 663 | 8 056 919 642 | 4 511 875 |
| Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer: | | | | | | |
| - Household | 3 415,2 GWh | 1 132 993 125 | 3 602 550 848 | 1 447 068 | 3 035 164 097 | 1 612 585 |
| - Commercial/Industrial | 1 343,4 GWh | 451 572 058 | 1 383 727 439 | 470 173 | 4 472 191 616 | 2 416 221 |
| - Other (Smallholdings) | <volume> | <cost> | 108 421 769 | Not Available | | |
| **TOTAL** | 8 854,3 GWh | 2 664 517 714 | 9 098.8 GWh | 3 009 528 | 7 507 355 714 | 4 028 806 |
| **Total year-to-date electricity losses in kilowatt hours and rand:** | | | | | | |
| **TOTAL** | 807,6 GWh | 142 194 116 Cost of losses | 659 GWh | 120 395 | 11 257 989 284 | 6 304 473 |
| Number of households with electricity access, and type and cost of service: | | | | | | |
| **Detail** | | | | | | |
| - Electrified areas | | | | | | |
| - Municipal | 361 898 Including bulk residential connections | <cost> | 380 863 | | 5862 | 80 926 |
| - Eskom | 47,964 | Not Available | 86 240 | | 2080 | 8 736 |
| - Alternate energy source | City does not provide alternate energy | | | | | |
| - Gas | Not available | Not available | Not available | Not available | Not available | Not available |
| - Paraffin | Not available | Not available | Not available | Not available | Not available | Not available |
| - Solar | Not available | Not available | Not available | Not available | Not available | Not available |
| - Wood | Not available | Not available | Not available | Not available | Not available | Not available |
| - Non electrified | Not available | Not available | Not available | Not available | Not available | Not available |

| Statistical Information | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | No | R (000s) | No | R (000s) | No | R (000s) |
| Note: if other types of services are available, please provide details | | | | | | |
| Number and cost of new connections (private developments) | 3 839 | R 23,400 | 6 375 | 25 814 | 552 | 25 240 |
| **Total (all developments)** | **8 623** | **22 662** | **6 375** | **25 814** | **552** | **25 240** |
| Number and cost of disconnections and reconnections | 196 415 | R32 928<br><br>Including the 328 280 Final Demands delivered and the 51 101illegal connection inspection done | 451874<br>Includes Final Demand notices delivered | 12 723 | 174 649<br>Disconnections<br>116 118<br>Reconnections | 3 902 108<br>Disconnections<br>1 019<br>Reconnections |
| **Total** | **196,415** | **32 928** | **451,874** | **12 723** | **290 767** | **3 903 127** |
| **Number and total value of electrification projects planned and current:** | | | | | | |
| - Current (financial year after year reported on) **(2008/09)** | 32 | 368 335 | 32 | 421 985 | 7 electrification and 3 Bulk | 13,500 and 47,000 |
| - Planned (future years) **(2009/10)** | 27 | 409 651 | 27 | 442 790 | 5 electrification projects | 22,778 |
| Note: provide total project and project value as per initial or revised budget | | | | | | |
| Anticipated expansion of electricity service: | | | | | | |
| **Total** | 12 000 | 63 600 | 16 402 | 150 300 | 8494 | 114 902 |
| Note: provide total number of households anticipated to benefit and total additional operating cost per year to the Municipality | | | | | | |
| Estimated backlog in number (and cost to provide) electricity connections: | | | | | 7942 | 64,330 |
| **Total** | **136,000**[19]<br><br>**12 000** | **680000**<br>**63 600** | **16 402** | **150 300** | **7942** | **R64,330** |
| Note: total number should appear in IDP, and cost in future budgeted capital housing programmes | | | | | | |
| Free Basic Service Provision: | | | | | | |
| - Quantity (number of households affected) | 394 168 | 89 371 721 | Approximately 70 000 customers including Eskom areas | Value not available as yet | 26 756 | |
| - Quantum (value to each household) | 50 kWh per month | 20.48 | 100 kWh for indigent consumers and 50 kWh for customers consuming less | R 43.43 (Indigent) R71.72 (customers consuming less than 200 | 100 kwh | 56,00 indigents |

[19] This backlog refers to the Housing backlog

| Statistical Information | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | No | R (000s) | No | R (000s) | No | R (000s) |
| | | | than 200kWh /month | kWh/month) | | |
| Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | 100 kWh per month provided for 2008/09 to only registered indigents. | | | | | |
| Type and number of grants and subsidies received: | | | | | | |
| MIG | 8 065 houses to be electrified | 25 000 | | 11 500 | 1609 new street lights, refurbished 480 street lights and 30 high masts lights | 19 200 |
| DME | 11 500 houses to be electrified | 28 600 | 11 250 | 45 000 | 3375 houses electrified. Bulk services included 1 new substation, upgrades 1 substation and strengthening 11kv network | 13 500<br><br>47 000 |
| Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | | | | | |
| **Total operating cost of electricity distribution function** | | **2 486 429** | **Not Available** | **2 646 710** | | **3 495 736** |

## ELECTRICITY - STREET LIGHTING

### Overview and description of key issues

The Department has restructured Public Light which includes street lighting and high-masts into one dedicated subsection from 1 July 2008. Street lighting responsibilities of the Municipality are administered as follows and include:

- Lighting up public roads and public areas for safety and security reasons in the disadvantaged communities;
- Maintenance of existing street lighting and area lighting (high masts) and the expansion of services, but do not take account of parks and public places which resides within the jurisdiction of the National or Provincial Government, the private sector or other municipal departments.

**Key issues**

- Cable theft;
- Vandalism;
- Procurement policies and procedures;
- Late delivery of materials;
- Escalation of materials;

- Continuous increase on copper price.

### Analysis of the Function

| | *Statistical information* | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|
| | | **No** | *R (000s)* | **No** | *R (000s)* | **No** | *R (000s)* |
| 1 | Number and total operating cost of street lights servicing population: | | | | | | |
| | Number of street lights and high mast lights. | 222 750 | 162 000 | 224 559 | 25 007 | 227 647 | 21 000 |
| | Note: total street lights should be available from municipal inventory: | | | | | | |
| 2 | Total bulk kilowatt hours consumed for street lighting: | | | | | | |
| | Gigawatt hours | 18.2 | 14 100 | 108 GWh | 19 813 | | |
| | Note: total number of kilowatt hours consumed by all street lighting for year | | | | | | |

## 5.2.7 PUBLIC SAFETY

The Community Safety Department of the City of Tshwane focuses all its efforts on making Tshwane a city where the community can prosper in a safe and healthy environment. The Department performs highly specialised functions.

The TMPS has the following strategic objectives:

- Transformed, viable, capacitated governance/administration;
- Safety of Communities, Roads and Businesses through:
  - Crime Prevention;
  - By-Law Policing;
  - Road Policing.

In its efforts to enhance personal safety as well as the safety of property, orderliness and respect for the law, the Department has been active in the following areas:

**Proactive Policing** is the division in Community Safety Department that renders a 24 hour policing service to the community. This division is decentralised and aligned to the five regions of the City of Tshwane's Alternative Service Delivery structure. Regional Policing has three core functions namely- Crime Prevention, Road Policing and By-Laws Policing. The main focus is to ensure a safe and secure road environment and to reduce any causes and opportunities for the occurrences of all criminal activities, traffic and by-law contraventions.

**Road Policing** centres on all activities which reduce, deter, or prevent the occurrence of all accidents firstly by ensuring effective and efficient law enforcement. Secondly, the monitoring of relevant infrastructure as well as strategic interventions where and when necessary, and thirdly by providing supportive traffic control services with the vision to secure a safe road environment where the community can confidently use all roads in Tshwane without fear of damage, injury or death**.**



**Crime Prevention** The nature, high incidence and distressing consequences of crime has resulted in it being regarded a national priority as well as a priority issue for the City of Tshwane. The extent and effect of crime demands the attention of all. Government, Institutions, Organisations, Businesses and Social Structures all contribute in the addressing of crime. The Department has successfully implemented its Social Crime Prevention, Environmental Design and Re-design Units as well as the Specialised Crime Prevention Operations comprising Canine and Equestrian Units.

**By-law Policing** in the City of Tshwane is envisaged as a catalyst for safety, security and order in the City. In line with the recommendations in the Tshwane Safer City Policy, by-law enforcement requires a coordinated effort from a wide range of officials with varying expertise. Further, strategic by-law policing is seen as contributing towards crime prevention, especially by addressing environmental factors which may be conducive towards crime.

To implement the above, the Community Safety Department has established a By-law Enforcement Centre (BEC). The BEC is an integrated, accelerated service delivery model for by-law enforcement and executes the following functions:

To standardise by-law enforcement processes within the City, the Community Safety Department has developed a By-law Policing Policy which will guide by-law enforcement practices in the City. Further

integration and community involvement will be an ongoing priority to ensure that by-law policing will continue to improve its services.

Community services offered by the City include emergency services (fire and ambulance), disaster management and metropolitan policing. Emergency and disaster management services are governed by service delivery standards, which determine response times, and therefore, influence facility and fleet positioning. Metropolitan policing is divided into three functions, viz proactive police operations, re-active police operations and police administration and licensing services. Policing of traffic matters, municipal by-laws and prevention of crime are rendered to all wards on a 24-hour basis.

The Department has to plan in an integrated and holistic manner to provide for all possible scenarios and contingencies. Diverse issues such as possible disaster, fire, traffic management, crime prevention as well as contravention of by-laws have to be catered for.

**Statistical Information**

| Statistical Details | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| Total number of call-outs attended fire brigade (fires): | 4 792 | 3 541 | 4 908 |
| Average response time to call-outs fire brigade (fires): | x | x | 11,93 min |
| Total number of call-outs attended rescue services: | 7 915 | 7 988 | 8 382 |
| Average response time to call-outs rescue services | - | - | - |
| Total number of call-outs attended special services: | 652 | 819 | 1 073 |
| Average response time to call-outs Special/Humanitarian services | - | - | - |
| Total number and type of emergencies leading to a loss of life or disaster: | 12 639 | 12 348 | 14 363 |
| Total number of call-outs attended fire brigade (fires): | 4 792 | 3 541 | 4 908 |

## Analysis of Function

| Statistical Details | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R '000 | Number | R '000 | Number | R '000 |
| Number and cost to employer of all personnel associated with policing and traffic control: | | | | | | |
| - Professional (Senior Management) | 14 | 1 388 304.60 | 14 | 11 060 340.66 | 10 | 2 611 266.90 |
| - Field (Detectives/Supervisors) | 275 | 49 016 308 | 262 | 106 810 877.50 | 263 | 499 602 996,00 |
| - Office (Clerical/Administration) | 437 | 13 123 713.06 | 426 | 119 952 010.70 | 486 | 310 386 502.06 |
| - Non-professional (visible police officers on the street) | 1025 | 46 942 294 | 1117 | 233 263 221.70 | 1302 | 677 725 840.55 |
| - Contract | 129 | 1 454 469.84 | 338 | 28 156 589.70 | 439 | 13 132 070.40 |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides: | | | | | | |
| Total number of call-outs attended: | The amount of calls received and distributed from 1 Jan 2007-28 Nov07 is 25 939 | | 77 156 | No data available | 67 895 | No data available |
| Average response time to call-outs: | 2 minutes | No data available | No data available | No data available | 2 minutes | No data available |
| Type and number of grants and | Licensing | 44 940 000 | Licensing | 60 228 593 | Licensing | 65 091 006.61 |

| Statistical Details | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R '000 | Number | R '000 | Number | R '000 |
| subsidies received | services: Refund: Motor vehicle | | services: Refund: Motor vehicle | | services: Refund: Motor vehicle | |
| Total operating cost of police and traffic function | | 405 448 794 | | 518 728 494 | | 575 333 292.16 |
| | | | | | | |
| Number and cost to employer of all personnel associated with fire brigade services: | 611 | 123 734 872 | 495 | 131 530 169 | 576 | 247 867 911.64 |
| - Professional (Senior Management) | 63 | 23 148 928 | 59 | 24 626 519 | 43 | 62 436 593,00 |
| - Field (Detectives/Supervisors) | 325 | 70 786 563 | 307 | 73 365 114 | 40 | 25 769 131.20 |
| - Office (Clerical/Administration) | 125 | 23 973 759 | 96 | 21 952 698 | 72 | 23 248 235,00 |
| - Non-professional (visible police officers on the street) | 33 | 2 977 173 | 32 | 29 113 342 | 421 | 136 413 952.44 |
| - Volunteer | - | - | - | - | - | - |
| - Temporary | 2 | 122 760 | 1 | 70 005 | | |
| - Contract | 64 | 1 229 018 | - | - | | |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides | | | | | | |
| | | | | | | |
| Number and cost to employer of all personnel associated with disaster management services: | 15 | 5 697 060 | 18 | 6 320 747 | 23 | 15 809 996.72 |
| - Professional (Senior Management) | 7 | 4 177 932 | 7 | 4 441 142 | 7 | 8 849 850.10 |
| - Field (Detectives/Supervisors) | 6 | 1 762 537 | 8 | 2 590 805 | 14 | 6 585 522.70 |
| - Office (Clerical/Administration) | 2 | 292 609 | 2 | 311 044 | 2 | 374 623.92 |
| - Non-professional (visible police officers on the street) | - | - | - | - | - | - |
| - Volunteer | - | - | - | - | - | - |
| - Temporary | - | - | - | - | - | - |
| - Contract | 1 | 76 800 | - | - | - | - |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides | | | | | | |

## 5.2.8 WASTE MANAGEMENT

### OVERVIEW AND DESCRIPTION OF KEY ISSUES

As a result of Alternative Service Delivery (ASD), Waste Management became a Division in the Agriculture and Environmental Management Department.

Waste Management's key performance areas are:

- Collecting, transporting, treating and disposing of waste;
- City cleansing;
- Landfill management;
- Clearing of vacant stands (illegal dumping);
- Management and maintenance of infrastructure;

The Department is currently exploring a different approach and model for community-based contracts which is more comprehensive and sustainable. This model is labour intensive aimed at expanding job creation and skill development among local communities. For this concept, a main or development contractor (Entrepreneurial Development Corporation) will be secured and is expected to provide waste management services in all the areas in the Tshwane North-West Region. The provision of domestic waste collection service will, apart from cleaning the residential areas, provide small business development opportunities, job opportunities, and ownership of trucks to small business owners as well as providing skills in running small businesses in general and waste management businesses in particular.

**Landfill yearly waste volumes received: 2001/02 – 2008/09**

| SITE | 2001/02 Ton | 2002/03 Ton | 2003/04 Ton | 2004/05 Ton | 2005/6 Ton | 2006/07 Ton | 2007/08 Ton | 2008/09 Ton |
|---|---|---|---|---|---|---|---|---|
| Derdepoort | 199 823 | 176 724 | 475 618 | 413 158 | 431 573 | 251 947 | 222 180 | 18 305 |
| Garstkloof | 551 459 | 229 080 | 695 481 | 315 366 | 267 721 | 233 730 | 134 082 | 215 017 |
| Ga-Rankuwa | 146 467 | 112 356 | 79 009 | 42 248 | 96 077 | 126 961 | 152 138 | 156 405 |
| Hatherley | 127 892 | 143 700 | 157 719 | 183 646 | 230 953 | 288 054 | 219 652 | 426 101 |
| Kwaggasrand | 134 834 | 169 092 | 366 416 | 405 663 | 403 755 | 310 984 | 334 837 | 327 738 |
| Onderstepoort | 151 046 | 209 280 | 335 824 | 331 556 | 473 511 | 683 521 | 610 612 | 709 841 |
| Soshanguve | 85 047 | 92 964 | 113 159 | 97 478 | 96 995 | 197 673 | 136 685 | 131 324 |
| Temba | 154512 | 52 368 | 25 872 | 22 871 | 63 556 | 41 331 | 34 002 | 74 051 |
| Valhalla | 441 168 | 212 916 | 494 085 | 363 490 | 271 102 | 267 639 | 397 391 | 537 421 |
| **SUB -TOTAL** | **1 992 248** | **1 398 480** | **2 743 183** | **2 175 476** | **2 335 243** | **2 401 840** | **2 241 594** | **2 596 202** |

## Analysis of Function: Waste Management

| Details | 2005/6 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|
| | Total | R | Total | R | Total | R | Total | R |
| | | | | | | | | |
| Number of staff associated with refuse removal and their cost to the Municipality: | | N/A | | N/A | | 80 851 104 | 544 | 72 854 218.08 |
| Professional (Engineers, Consultants) | | | | | N/A | N/A | 10 | 5 020 161.70 |
| Field (Supervisors/Foremen) | 66 | 4 620 000 | 66 | 4 827 622 | 66 | 5 118 279.32 | 50 | 11 521 512.32 |
| Office (Clerical/Administration) | 66 | 6 600 000 | 65 | 6 907 622 | 48 | 732 079.32 | 17 | 3 623 272.46 |
| Nonprofessional (blue collar, outside workforce) | 465 | 13 031 208 | 457 | 12 678 830 | 457 | 134 339 559.80 | 467 | 52 689 271.60 |
| - Temporary | - | | | | N/A | N/A | | |
| - Contract | 1 206 | 50 524 341 | 1 206 | 51 534 828 | 1 206 | 54 626 017.68 | 1206 | 2 516 769,00 |
| **Number of households receiving regular refuse removal services, and frequency and cost of service:** | | | | | | | | |

| Details | 2005/6 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|
| | Total | R | Total | R | Total | R | Total | R |
| -Removed by Municipality at least once a week | 721 790 | 153 76 243 | 731 552 | 8 818 416 | 746 698 | 46 305 816 | 756 062 | |
| -Removed by Municipality less Often | 44 162 | 9 252 822 | 45 344 | 9 500 474.80 | 40 000 | 2 480 000 | 43 800 | 9 176 976 |
| -Communal refuse dump used | | Data not available | Data not available | | N/A | | Data not available | |
| -Own refuse dump | Data not available | | Data not available | | N/A | | 2.543Mil | |
| -No rubbish disposal | Data not available | | Data not available | | N/A | | N/A | |
| **Total and projected tonnage of all refuse disposed:** | | | | | | | | |
| - Domestic/ commercial | 2 335 243 | 46 396 874 | 1 856 518[20] | 36 877 564 | 2 476 906 t | 45 912 410 | 896 419 t | |
| - Garden | 268 552 | 8 037 986 | 657 252 | 6 390 198 | 651 648 t | 6 126 816 | 662 653 t | |
| **Total number of refuse disposal sites:** | | | | | | | | |
| - Domestic/commercial | 9 | 46 386 874 | 9 | 36 877 564 | 9 | 45 912 410 | 7 | |
| - Garden | 11 | 8 037 986 | 11 | 6 390 198 | 11 | 6 126 816 | Transfer stations 11 Disposal Sites 2 | |
| Anticipated expansion of refuse removal service: | | | 734 868 13 078 | | 746 698 11 830 | | 756 062 9 364 | |
| - Domestic/Commercial (number of clients) | 439 012 | 21 599 380 | 336 580 | 17 553 337 | 759 868 | 4 711 816 | 9 268 | |
| - Garden (number of clients) | Data not available | | Data not available | | N/A | | Data not available | |
| **Free Basic Service Provision:** | | | | | | | | |
| - Quantity (number of households affected) | 90 000 | 1 656 000 | 90 000 | 1 656 000 | 40 000 | 1 040 000 | 48 300 households (plastic bags) 73 000 households (skips) | |
| - Quantum (value to each household) | | 18 - 40 | | 18 - 40 | | | | |
| **Total operating cost of waste management Section** | | **259 309 858** | | **236 072 614** | | **493 578 487** | | **515 691 236,00** |

## 5.2.9 WASTE WATER MANAGEMENT

### OVERVIEW AND DESCRIPTION OF KEY ISSUES

Waste Water Collection Management includes the operation and maintenance of Municipal Sewerage Services and the facilitation of development in the City, being responsibilities of the Water and Sanitation Division. The sewerage functions of the Municipality are administered as follows and include:

[20] Decrease due to recycling activities

- Ongoing assistance to facilitate new developments and ensure that sewerage infrastructure was installed in accordance with standards and specifications;
- Analysis of all aspects of the systems to proactively identify worn-out infrastructure, problems and bottlenecks;
- Continuous management and control to ensure availability of service.

Waste Water Management includes chemical and bacteriological analyses, but does not include stormwater management and drainage systems which reside within the jurisdiction of the Roads and Stormwater Division. The treatment of waste water is as per the prescribed standards set by the Department of Water Affairs and Forestry. There is ongoing assistance to ensure that new infrastructure is developed and waste-water treatment infrastructure is built in accordance with the latest technology and specifications. Continuous management and control takes place to ensure the optimum availability and performance of the waste-water treatment works

**Water and Sanitation Bulk Infrastructure Strategy**

The bulk infrastructure for water and sanitation in the City of Tshwane is barely adequate and major investment in this component is required in the next five years. The City's growth rate is a continuing factor in demand for bulk services. The Backlog Eradication Initiative adds the equivalent of ten years growth in additional demand by 2010. All the WWTW's are under pressure. The Temba WWTW will have to serve an additional 36,000 households in December 2010 from backlog eradication in North East Region.

The urgency to improve the quality of effluent discharged to our rivers and the shift in focus by DWAF to strict regulation necessitates upgrade and extension projects on all the WWTW's. Many of the bulk conveyance components are under pressure and additional capacity must be created to avoid spillage of raw sewage into rivers and streets. The City is dependent on potable water supplied by Rand Water Board. The Vaal River Demand Management Strategy of DWAF envisages a reduction of 30% in the demand from the Vaal System consumers by 2013.

A growing city cannot achieve this unless other sources can be found. The rivers in the City receive treated return flow from our WWTW. This is a source which must be used. Extensions to existing Waste Purification Plants and the construction of new WPP's will enable the city to meet the DWAF 30% reduction target. The Temba WPP must be extended urgently from 60Mℓ/day to 120Mℓ/day in order to meet the additional demand from 36,000 households receiving services by December 2010.

### Waste Water treatments Works Capacity

| CAPACITY OF THE CITY OF TSHWANE WASTE WATER TREATMENT WORKS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Region | Waste water treatment works | Discharge into stream or river | Capacity | | 2007/08 | | | 2008/09 | | |
| | | | Mℓ/day | % | Flow (Mℓ/day) AADF | Flow (Mℓ/day) ADDWF | Spare capacity (Mℓ/day) | Flow (Mℓ/day) AADF | Flow (Mℓ/day) ADDWF | Spare capacity (Mℓ/day) |
| Southern | Sunderland Ridge | Hennops | 45 | 8.5 | 58 | 52 | -7 | 59 | 57 | -12 |

| CAPACITY OF THE CITY OF TSHWANE WASTE WATER TREATMENT WORKS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Region | Waste water treatment works | Discharge into stream or river | Capacity | | 2007/08 | | | 2008/09 | | |
| | | | Mℓ/day | % | Flow (Mℓ/day) AADF | Flow (Mℓ/day) ADDWF | Spare capacity (Mℓ/day) | Flow (Mℓ/day) AADF | Flow (Mℓ/day) ADDWF | Spare capacity (Mℓ/day) |
| Central Western | Daspoort | Apies | 55 | 10.5 | 35 | 36 | 19 | 38 | 37 | 18 |
| North East | Rooiwal | Apies | 220 | 41.7 | 193 | 151 | 69 | 203 | 172 | 48 |
| | Temba | Apies | 12.5 | 2.4 | 9.6 | 6.7 | 5.8 | 8.5 | 7.4 | 5.1 |
| | Babelegi | Apies | 4.7 | 0,9 | 2.2 | 1.9 | 2.8 | 1.9 | 1.9 | 2.8 |
| Eastern | Baviaanspoort | Pienaars | 58 | 11 | 53 | 40 | 18 | 52 | 49 | 9 |
| North West | Sandspruit | Tolwane | 20 | 3.8 | 8.5 | 5.9 | 14.1 | 9.9 | 7.8 | 12.2 |
| | Klipgat | Tolwane | 55 | 10.5 | 39 | 28 | 27 | 37 | 30 | 25 |
| | Rietgat | Soutpan | 27 | 5 | 11.5 | 8.9 | 18.1 | 17.6 | 9.4 | 17.6 |
| Outside of Tshwane | Zeekoegat | Pienaars | 30 | 5.7 | 48 | 42 | -12 | 49 | 45 | -15 |
| **TOTAL** | | | **527.2** | **100** | **457.8** | **372.4** | **154.8** | **475.9** | **416.5** | **110.7** |

## Sewerage System Capacity

| CAPACITY OF THE CITY OF TSHWANE'S SEWER SYSTEM | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sewer infrastructure | | Region in Tshwane | | | | | |
| | | Southern | Central Western | Eastern | North East | North West | Total |
| Pump stations | Number | 17 | 4 | 2 | 12 | 7 | **42** |
| Manholes | Number | 25 218 | 17 078 | 37 048 | 11 170 | 31 355 | **121 869** |
| Pipelines | Length (m) | 1 373 854 | 1 135 799 | 2 154 627 | 713 990 | 1 719 428 | **7 097 698** |
| Pipelines: network | Length (m) | 1 153 810 | 874 044 | 1 862 980 | 489 152 | 1 439 642 | **5 819 628** |
| Pipelines: collector | Length (m) | 168 405 | 205 980 | 223 215 | 113 410 | 192 643 | **903 653** |
| Pipelines: bulk | Length (m) | 50 882 | 54 758 | 55 240 | 109 366 | 75 112 | **345 357** |

| CAPACITY OF THE CITY OF TSHWANE'S SEWER SYSTEM | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sewer infrastructure | | Region in Tshwane | | | | | |
| | | Southern | Central Western | Eastern | North East | North West | Total |
| Pipelines: schematic | Length (m) | 17 | 4 | 2 | 12 | 7 | **42** |

## 5.2.10 ROAD TRANSPORT

### TRANSPORT PLANNING

#### Overview and description of key issues

The Transport Development Division consists of 6 sections namely:

- Transport Research, Economics and Funding.
- Transport Planning and Information Systems.
- Transport Operations Development.
- Transport Facility Development.
- Municipal Transport Services.
- Wonderboom Airport which was also placed as a functional responsibility with the Transport Development Division since 1 July 2007.

#### Strategic Objectives

To identify plan, construct, operate, manage and control transport facilities (including public transport roads/routes and airports) through:

- Developing technical tools to ensure a fully integrated and sustainable transport system for the City of Tshwane and to oversee the development, implementation and monitoring of the Integrated Transport Plan (ITP).
- Eradicate transport infrastructure backlogs.
- Improving the utilisation of public transport modes.
- Leasing of new buses for Tshwane Transport according to a replacement programme.
- Managing and maintaining public transport facilities.
- To operate, manage and develop Wonderboom Airport in accordance with (South African Civil Aviation Authority (CAA) requirements and
- International Civil Aviation Organisation (ICAO) standards ensuring optimal aviation safety.

#### Key Issues

The critical key issues regarding Wonderboom Airport are to ensure that CAA compliance requirements are always met as prescribed by the applicable legislation, as well as to enhance the development of the airport to become a fully sustainable entity.

| Details | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | Number | R | Number | R | Number | R |
| Number and cost to employer of Transport Planning staff employed: | | | | | | |
| - Professional (Managerial/Specialist) | 16 | 411 045.60 | 16 | 52 6238.83 | 26 | 16 063 104.54 |
| - Field (Supervisory/Foremen) | | | 6 | 116 209.95 | 3 | 658 954.13 |
| - Office (Clerical/Administrative) | 21 | 265 109,00 | 13 | 290 734.98 | 7 | 1 485 123.80 |
| - Non-professional (blue collar, outside workforce) | | | 11 | 108 917.81 | 276 | 6 009 613.08 |

### PUBLIC BUSES

#### Overview and description of key issues

The Tshwane Bus Services provides the following services:

- Transportation of residents and visitors in certain areas of the City;
- Special Bus Hires;
- Bus Contract Services;
- Repair and Maintenance of buses;
- Route Planning and Time Scheduling; and
- Ticket sales at ticket outlet points.

The Bus Services needs an electronic fare collection system which will encompass ticketing, surveillance cameras, tracking system and communication system. A tender has been awarded to determine the specifications for such a system and it is hoped that the recommendations will be finalised, where after the Bus Services will, subject to funds being available, go out on tender to acquire the technology. It is envisaged that the installation of this system will boost revenue by approximately 30% as a result of enhanced revenue collection.

## 5.2.11 ROADS AND STORMWATER

### OVERVIEW AND DESCRIPTION OF KEY ISSUES

The planning, provision and maintenance of roads, stormwater and traffic signalling infrastructure are the responsibility of the Roads and Stormwater Division of the Municipality's Public Works and Infrastructure Development Department. The Roads and Stormwater Division comprises the following Sections:

Infrastructure Planning and Management **r**esponsible for the planning and management of the roads and stormwater infrastructure of the City of Tshwane Metropolitan Municipality

Infrastructure Provision, providing roads and stormwater infrastructure to support and facilitate economic growth.
Infrastructure Maintenance Management, which keeps the roads and stormwater infrastructure maintainable and serviceable through proper management systems.

Traffic Engineering and Operations which is responsible for the optimisation of traffic control systems to improve traffic flow; and to alleviate traffic congestion and improve safety.

Project Management which is responsible for the project management of projects

Operational Services which is responsible for operational construction and maintenance of roads stormwater systems and traffic control systems.

Divisional Support which is responsible for rendering of generic support services for human resource management, financial management and generic support services.

### STRATEGIC OBJECTIVES

**The strategic objectives of the Roads and Stormwater Division are:**

- Plan for and provide roads and stormwater infrastructure to support and facilitate economic growth and to promote social development;
- Keep roads and stormwater infrastructure maintainable and serviceable;
- Promote traffic safety;
- Optimise traffic control systems to improve traffic flow;
- Alleviate traffic congestion; and
- Provide the management and support services needed.

### IMPLEMENT THE EPWP

The EPWP is one of Government's most important short to medium term programmes aimed at alleviating and reducing unemployment, through provision of work opportunities, coupled with skills training. The provision and upgrading of Infrastructure are important vehicles to ensure that the EPWP is supported. The EPWP Guidelines defines an infrastructure project as an EPWP project where the following aspects are present:

- A significant amount of construction activities for which use of labour is specified;

- Appropriate design for labour-intensive construction;
- Specification for labour-intensive works based on tasks;
- Amended contract documentation for labour-intensive works;
- Skills training of management and supervisory staff; and
- Skills training of targeted labour

In some of the cases, our own departmental construction teams are used, but with local labour sourced from the community, which is also considered to satisfy the above conditions.

Analysis of Function

| STATISTICAL INFORMATION | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| Total number, kilometres and total value of road projects planned and current: | 34 | R 101,6 million | 79.1 | R378,29 m | | R378 285 |
| Upgrading of roads (number) | 8 | R 23,84 million | 36.8 | R11,71 m | | R11 705 000 |
| New collector and access roads (number) | 26 | R 77,76 million | 42.3 | R366,58 m | | R366 580 |
| Feasibility studies and/or detailed designs of roads (number) | 8 | R 6,5 million | 27.1 | R27 500 | 1.5+ detail design | No data available |
| - New bituminised (Km) (Intermediate standard) | 26.7 | R 6,400 | 32.5 | No data available | 2+ (IP) | R4 480 + |
| - Existing resurfaced (Km) | 166.8 | R 35,028 | 207.3 | No data available | 16 | R46 040 |
| - New gravel (Km) | 106.8 | R 16,020 | 281.55 | No data available | No data available | R26 950 |
| **Total kilometres and maintenance cost associated with existing roads provided** | | **(R000)** | | **R (000s)** | | **R (000s)** |
| - Tar (Km) | 5,536 | R 23,800 | 5,621 | No data available | 5,621 (Quote same length as previous year (PMS update period changed to end Nov 2009) | No data available for breakdown by type |
| - Block Pavement (Km) | 69 | | 69 | | 69 (Same as above) | |
| - Concrete and other types of surfaces (Km) | 18 | | 21 | | 21 (Same as above) | |
| - Gravel (Km) | 2,240 | R 11,700 | 2,210 | No data available | 2210 (Same as above) | No data available |
| -Road markings repainted (in kilometres) | 277 km | R5.17 m | 958.03 | No data available | 228 km | No data available |
| -Traffic signs replaced/ installed (number of signs) | 12606 | R7,38 m | 36,862 | No data available | 5 269 | No data available |

| STATISTICAL INFORMATION | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| Average frequency and cost of re-tarring, re-sheeting roads | | | | | | |
| - Surfaced | 1:30 Years | R 210 000/km | 1:30 Years | No data available | 1:30 Years | R 286 000/km |
| - Gravel | 1:20 Years | R150 000/km | 1:20 Years | No data available | 1:20 Years | R100 500/km |
| Note: based on maintenance records | | | | | | |
| **Estimated backlog in number of roads, showing kilometres and capital cost** | | | | **R (000s)** | | **R (000s)** |
| - From Sub Standard to Surfaced roads (Km) | 2,265 | R 7,000,000 | 2 200 | R 5,500,000 | 2165 | R 6,500,000 |
| - From substandard to Gravel roads (Km) | 1,720 (Length of gravel roads not on 10 year construction programme) | R 300,000 | 250 | R 4 500 | 250 | R 4 950 |
| Total: | 2 759 km (Total backlog determined by ITS in project prioritisation project) | R 7,300,000 | 2 450 | R5 504 500 | | R5 504 500 |
| **Detail** | | | **Total** | **Cost** | | **Cost** |
| Note: total number should appear in IDP, and cost in future budgeted road construction programme | | | | | | |
| Type and number of grants and subsidies received: | **No** | **R (000s)** | **No** | **R (000s)** | | **R (000s)** |
| MIG | 10 (Budget R58,000,000) | R50,626,000 Spent | 10 Projects | R79 463.35 | 12 | R755 855 |
| • Gauteng Department of Public Transport, Roads and Works (Gautrans) | 0 projects | | 1 project | R nil spent | 1 | R nil spent |
| • South African National Roads Agency | 0 projects | | 1 project | R10,603,832 | Nil | R89,219,077 (PTIS) actual |
| • Public Transport Infrastructure and Systems Fund (PTIS) Conditional Grant from Department of Transport | None | R0,7 million | 9 Projects | R89,219,077 | 9 Projects | R4,7 m |
| • Public Works Department | 1 project | | 1 Project | | 2 Projects | |
| • Restructuring Grant Fund | None | | 10 Projects | | | |
| Total operating cost of the road construction and maintenance function (operational teams, depots, vehicles, machinery and equipment of the Operational Services Section) | | R 256 million | | R211.2 million | | R211.2 million |
| Total operating cost of road construction and maintenance function | Total OPEX and CAPEX Expenditure | Opex R421,423 Capex R251,795 | Total OPEX& CAPEX Expenditure | Opex: R475,571 m Capex: R443,347 m | | Opex: R350, 10 m Capex: R443,347 m |

| Details | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | No | *R* | No | *R* | No | *R* |

| Details | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| Number and cost to employer of all personnel associated with road maintenance and construction: | | | | | | |
| - Professional (Engineers/Consultants) | 183 | R150 544 000 | 173 | R158 902 680 | 150 | R 177 217 911 |
| - Field (Supervisors/Foremen) | 212 | | 206 | | 161 | |
| - Office (Clerical/Administration) | 84 | | 78 | | 75 | |
| - Non-professional (blue collar, outside workforce) | 463 | | 438 | | 466 | |
| - Temporary | 1 | | 5 | | 7 (4 students +3 agency employees) | |
| - Contract | 0 | | 0 | | 368 (Executive Director included) | |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | 954 | R162 078 953 | 900 | R158 902 680 | 1152 | R 177 217 911 |

## 5.2.12 WATER

### OVERVIEW

The National Government has set a number of targets for service delivery as part of its programme to improve the lives of its citizens, and in particular the most impoverished communities. These targets include eradication of backlogs for water and sanitation and the elimination of all informal settlements either through upgrading or re-settlement in more favourable conditions.

### Description of Activities and Key Issues facing service delivery in the period under review

The Water and Sanitation Division has a leading role to play in realising at least three of the main strategic thrusts of the CDS.

It plays as critical a role in the execution of the strategic objectives of the current five-year plan (IDP).

It is critical to achieve these strategic objectives. It has the sole mandate on the first strategic objective, while making a significant contribution to the economic and social objectives and incorporating the remainder in its modus operandi.

### Analysis of Function

| Number and cost to employer of all personnel associated with the water distribution function: | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| | No | R(000's) | No | R (000s) | No | R (000s) |
| - Professional (Engineers/Consultants) | 22 | | 79 | | 93 | |
| - Field (Supervisors/Foremen) | 17 | | 168 | | 180 | |
| - Office (Clerical/Administration) | 15 | | 51 | 156,478,280 | 52 | 225,342,387 |
| - Non-professional (blue collar, outside workforce) | 274 | | 501 | | 487 | |
| - Temporary (Opex) | 4 | | 153 | | 48 (agency) | |

| Number and cost to employer of all personnel associated with the water distribution function: | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|
| - Contract (Capex) | 3 | | 5 | 3,079,039 | 159 (City of Tshwane contract) | 3,325,362 |
| Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. | **335** | | **957** | **159,557,319** | **1019** | **228,667,749** |

## Water Infrastructure

| Water supply infrastructure | | REGION IN TSHWANE | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Southern | Central Western | Eastern | North East | North West | Outside of Tshwane | Total |
| Reservoirs | Number | 24 | 36 | 29 | 15 | 23 | 7 | **134** |
| | Total capacity (kℓ) | 196 350 | 630 746 | 312 655 | 98 720 | 269 925 | 143 200 | **1 651 596** |
| Water towers | Number | 8 | 1 | 5 | 8 | 4 | 3 | **29** |
| | Total capacity (kℓ) | 3 742 | 0 | 1 797 | 2 680 | 1 336 | 868 | **10 423** |
| Pumping stations | Number of pumps | 35 | 8 | 32 | 28 | 8 | 12 | **123** |
| Pipelines: bulk and network | Length (m) | 1 406 752 | 1 367 499 | 2 252 882 | 1 188 646 | 2 283 003 | 361 198 | **8 859 980** |
| Pipeline networks | Length (m) | 1 280 846 | 1 230 448 | 2 082 489 | 1 069 777 | 2 212 354 | 199 729 | **8 075 643** |
| Pipelines: bulk | Length (m) | 121 481 | 136 728 | 164 649 | 109 988 | 65 404 | 142 648 | **740 898** |
| Pipeline schematics | Length (m) | 0 | 0 | 1 692 | 3 671 | 30 | 14 218 | **19 611** |

## Source of Bulk Water Supply

| Bulk Water Sources | Ml per annum (06/07) | Ml per annum (07/08) | Ml per annum (08/09) |
|---|---|---|---|
| Rand Water (Internal Unit) | 193 087 | 178 850 | 171 185 |
| Rand Water (SWA) | 24 156 | 17 520 | 17 520 |
| Magalies Water (Klipdrift) | 8 908 | 1 825 | 1 825 |
| Temba WTP (Leeukraal dam) | 17 333 | 9 855 | 16 790 |
| Roodeplaat WTP (Roodeplaat dam) | 17 483 | 16 060 | 20 440 |
| Rietvlei WTP (Rietvlei dam) | 14 231 | 13 505 | 15 695 |
| Springs and boreholes | 22 885 | 23 360 | 19 345 |
| **TOTAL** | **298 083** | **260 975** | **262 800** |

## 5.3 STRATEGIC INITIATIVES, CROSS-CUTTING AND MEGA PROJECTS

### 5.3.1 IMPLEMENTATION OF THE CDS LEAD PROGRAMMES

The City of Tshwane has endorsed the City Development Strategy as our long term vision aligned to 2014 priorities of National and Provincial Governments.

| CDS Lead Initiative | CDS Lead Programmes/Projects | Progress |
|---|---|---|
| Vibrant Capital Programme | *Rekgabisa Tshwane* – major inner city regeneration/re-investment in public sector office accommodation. | – The Bloed Street Mall and taxi rank at the Corner Bloed Street and Van der Walt Streets was completed and opened in October 2008.<br>– National Department Head offices completed:<br>– DTI<br>– National Library<br>– National Department of Science and Technology<br>– National Department Head offices in building phase:<br>– National Department of Health (Civitas)<br>– National Department of Education<br>– National Department of Minerals and Energy<br>– National Printers<br>– National Departments placement been finalised:<br>– Department of Justice<br>– Department of GCIS (Government Communication and Information Systems)<br>– Department of Correctional Services<br>– Phase Precinct development<br>– Finalisation of consultation and integration with NDPW was concluded May 2009<br>– Project closure is expected March 2011. |
| Vibrant Capital Programme | *Lilian Ngoyi Square* | – Plans were submitted for approval<br>– Agreement reached on funding: available funding from province will be used as per memorandum of understanding<br>– A Crafts Market is catered for to address small business<br>– Discussions with DTI (SEDA) have ensued to bring in variety in terms of goods traded in the square |
| Vibrant Capital Programme | *Tshwane House-*<br>Rebuilding of the City of Tshwane Headquarters | – Bids from two consortia received before closure on 4 May 09.<br>– Documents signed by City Manager mid May 2009 as per NT guidelines.<br>– Formal bid evaluation process begun 18 May 2009.<br>– The African Character Architectural Design Advisory Panel has been appointed-orientation meeting was done with the Project Officer and Project Architects on 20 May 09 |
| Vibrant Capital Programme | *Tshwane Kopanong* – the building of a "Tshwane Crossing" a public space and inner city sports facility initiative on the grounds of the Caledonian sports grounds. A place of coming together. | There has been no progress on this project due to conflicting demands on the space by the existing soccer uses, the proposed City Lodge development, the need for open space in the city and the need for a place for festivals and celebrations. There is also a dispute regarding the lease to the Arcadia Shepherds, the soccer club using the stadium.<br>Terms of reference prepared for appointment of consultants for feasibility studies on the area Tender was advertised in May 2009. |
| Vibrant Capital Programme | *West Capital Urban Renewal* – focusing on providing social housing in an inner city location. | Consultants were appointed to assist with proposals on rehabilitation of Kruger Park and Schubart Park flats.<br>Land has been made available to Housing Company Tshwane and Yeast for social housing.<br>City Planning is undertaking a densification study to encourage different forms of housing and urban renewal/ re-investment.<br>The SANRAL feasibility study on the G9 Bypass will inform proposals for the renewal of the industrial areas |
| Vibrant Capital Programme | *Africa City Arts and Culture* – aimed at social integration and celebration of the '<br>"Africaness" of the capital city | Broad planning has been completed.<br>A feasibility study is underway for the craft market.<br>The intention is for the main focus to be open air entertainment and festival space.<br>A company was appointed to draft an "Art in Public Spaces Strategy". |

| CDS Lead Initiative | CDS Lead Programmes/Projects | Progress |
|---|---|---|
| | through the establishment of a calendar of arts and culture expressions in public space. | The Department of Sports, Recreation Arts and Culture is the champion of the strategy. |
| Connecting Tshwane to the knowledge economy | *Smart City Initiative* | • Operationalisation of Smart and innovative City Office was completed December 2008<br>• Branding a package completed February 2009, Website, logos and related material developed and approval in process<br>• Development of a Baseline study in City of Tshwane is planned for 9/10 (July – September 2009).<br><br>**City of Oulu agreement**<br>• Oulu experts to perform the "as-is" assessment visit completed (11 – 15 May 2009)<br>• Plan for the full technical team is scheduled for (July – August 2009)<br><br>**Broadband**<br>**Citywide Broadband Tender (Request for Information**)<br>• Tender closed May 2009<br><br>**Citywide RFP Development**<br>• Engagement process of partner for professional services to provide technical support and the development RFP Completed<br>• Issue Request For Proposal (September 2009)<br><br>**Portal/Website for the City**<br>• Tender issuing completed.<br>• Implementation to take place in July 2009<br><br>**Intranet/Internal Portal**<br>• Draft Mock up/design completed<br><br>**Tetra – Citywide Digital Radio infrastructure**<br>• Tender was finalised in May 2009. |
| Quality Public Places Programme | *Tsosoloso/ Neighbourhood Development Programme* – investment in quality spaces and places and broader neighbourhood regeneration | The purpose is to create vibrant quality spaces focusing on nodes of economic potential to act as a catalyst for development.<br>The initial focus will be Mabopane, Mamelodi, Temba, Hammanskraal, Saulsville and Olievenhoutbosch.<br>• Service providers to undertake all the spatial frameworks, detailed design and specifications for the construction of the public spaces and buildings have been appointed.<br>• The urban design frameworks for the Mabopane Station precinct and the Solomon Mahlangu precinct have been approved (June and October 2008 respectively). The Eerste Fabrieke planning process is nearing completion |
| Development of the North Programme (DoN) | *Development and Implementation of an Alternative Strategy for the Zone of Choice* | *Rainbow Junction*<br>The purpose of Rainbow Junction is to Develop a new node as a catalyst for development in the Zone of Choice (including infrastructure provision) It is located along the western bank of the Apies River between Paul Kruger Road Extension and Lavender Road south of the K8. Progress as follows:<br>• Environmental Management Framework for the Zone of Choice was launched at a function held on 1st July 2008.<br>• Positive ROD issued 1st week May 2009.<br>• Consultants have been appointed for the hydrological studies that will form the basis of the design of the stormwater levees or berms along the entire length of the river from the Magaliesberg to the Bon Accord dam<br>• A committee established with the developers and services divisions to address issues amicably.<br>• Completion of hydrological studies ends May 2009. |

| CDS Lead Initiative | CDS Lead Programmes/Projects | Progress |
|---|---|---|
| Working Infrastructure Programme | Development of an *Integrated Maintenance Framework* and Financial Model/MIIF | The purpose is to have a planned maintenance framework to ensure that infrastructure is adequately maintained/prevent collapse<br>• Service providers have been appointed<br>• The initial phase (a status quo analysis of asset registers and maintenance systems) is complete<br>• They are now developing an Integrated Maintenance Framework<br>• Thereafter the results will be verified and the framework implemented |
| Working infrastructure programme | *Africa Gateway Convention Centre* | • Erf consolidation and subdivision completed<br>• Groundbreaking is expected in October 2009. |
| Working infrastructure programme | *Automated meter reading* | • Grant funding has been offered to City of Tshwane towards implementing this project.<br>• Phased rollout proposed for three financial years |
| Working infrastructure programme | *42 MVA solar plant* | • The City of Tshwane has a self funding proposal with concessions for land and power-purchase agreements.<br>• Timelines for completion are as follows:<br>  • 30 October 2009 - completion of feasibility studies<br>  • Nov/Dec 2009 - approval of the business case and the financing model<br>  • Jan 2010 - Commencement of EIA studies |
| Working infrastructure programme | *Waste to Energy* | • An expression of interest (EoI) was to be advertised in May 2009 to solicit interested parties to establish a Waste-to-Energy plant. The deadline was missed although project is still on course.<br>• Results of the EoI will be tabled at the SCM committees in August 2009. |
| The Moving Tshwane Initiative | *Building of a Tshwane Western Bypass (PWV 9)* | The purpose is to construct the G9/Western Bypass to connect the north western part of the city to the Global City region, to open the western part of the city for development.<br>It will be located along the west of the city from the Mabopane Highway to Fourways.<br><br>The implementation of the Western bypass is long term and linked to the Gauteng Freeway Improvement Project (GFIP)<br><br>Projects in GFIP must be supportable by toll revenue, hence the very high cost of Western bypass influences implementation plans and time frames<br>• The recent economic study required by City of Tshwane from SANRAL indicates very good economic returns, but re-confirmed affordability challenge as a valid reason for delays.<br>• Innovative financing contributions are required<br>• Cooperation of Gauteng Province is required in advancing the planned implementation date through securing additional funding. |
| The Moving Tshwane Initiative | *Metro-Bus Transformation* (bus-recapitalisation process) | The purpose is to ensure a quality, reliable public transport service to improve accessibility of all City of Tshwane residents. It will be located through-out Tshwane, but initially from Mabopane to the CBD and Mamelodi via Loftus.<br>• The business plan and financial plan is in progress.<br>• 72 new buses have been delivered to the City of Tshwane and are already in use. |
| The Moving Tshwane Initiative | *Wonderboom Airport- scheduled flights* | • A tender is in process.<br>• WBA will, once the appointment letter is received from Supply Chain Management, immediately proceed with the negotiations/discussions to have the SLA in place as soon as possible as to ensure that WBA can benefit even more during 2010 from a passenger handling point of view. |
| The Moving Tshwane Initiative | *Bus Rapid Transit* | • A workshop was held with Bus Operators on 13 October to discuss the operational plan for BRT.<br>• A stakeholder Workshop with the transport industry was held in November 2008.<br>• The Draft National Taxi framework will be used as input for further negotiations.<br>• A memorandum of understanding has been agreed with the South African Roads Agency Limited (SANRAL) to implement the infrastructure aspects of the BRT project.<br>• Work on designs has commenced.<br>• A workshop was held on the 18th March 2009 to inform stakeholders of |

| CDS Lead Initiative | CDS Lead Programmes/Projects | Progress |
|---|---|---|
| | | progress on the project. |
| The Moving Tshwane Initiative | *Rail Network between the City and Hammanskraal* | • Consultants were appointed in April 2009 to do a feasibility study for the reopening of the rail line.<br>• PRASA (Passenger Rail Agency of SA previously SARCC) supports study.<br>• Feasibility results are due by December 2009 |
| Developing the Zone of Choice | *Tshwane International Freight Airport (TIFA)*<br>*Building a Logistics Cluster* | The purpose is to develop an international logistics hub that can include an airport to support and stimulate development in the north of Tshwane. It is located on the north eastern quadrant of the intersection of the N1/N4 (Platinum highway)<br>• Land valuation done<br>• Service provider being contracted for feasibility/proposal.<br>• Funding sources to be vigorously pursued to fund the bulk infrastructure. |
| Developing the Zone of Choice | *Development of the K99* | • Route K99 is important for connectivity between CBD (Central region) and Zone of Choice<br>• City of Tshwane requested SANRAL to conduct a toll viability study, which has been completed<br>• K99 also identified in transport study around Rainbow Junction as necessary in the longer term (10 years) for development of Zone of Choice |

## 5.3.2 SPECIAL PROGRAMMES

### AGRICULTURE AND ENVIRONMENTAL MANAGEMENT

#### WORKING FOR WATER PROJECTS:

This project is carried out in collaboration with the National Department of Environmental and Water Affairs. The focus is mainly on alien vegetation and to implement the CARA Legislation. Poverty relief funding is used to create jobs, train people, upliftment and empowerment.

#### WORKING FOR WETLAND PROJECTS:

This project is carried out in collaboration with SANBI and Gauteng Province. The focus is mainly on rehabilitation of existing wetlands. Poverty relief funding is used to create jobs, train people, upliftment and empowerment.

### Clean up campaigns

The Waste Management Division conducted 17 Clean-up Campaigns in collaboration with relevant stakeholders in various areas of the municipal wards and 1,450 swivel bins were installed citywide.

**Litter free campaign**



## COMMUNITY SAFETY

The City of Tshwane has developed a Safer City Policy "to give effect to National Policy on a crime preventive, developmental and integrated approach to reducing crime and violence". This policy takes into account the "specific circumstances with regard to their citizens' safety".

The Safer City Policy recognises and adopts an integrated approach to crime. It seeks to carve a role for all City of Tshwane departments in fighting crime. It also seeks to bring together communities in their various formations together as partners with the City in the effort to eradicate crime and make Tshwane the safest capital city in Africa and indeed in the world.

This being the first implementation plan for a Safer City Policy of the City of Tshwane, it is proposed that the initial focus for this plan be developed around several key themes:

*Safer City through environmental design* - To ensure that all departments of the City of Tshwane contribute to a safer city through proper design and effective use of the built environment to achieve reduction in the incidence and fear of crime.

*Build community capacity for safety* - To uplift the community to enable and/or capacitate them to provide or nurture for themselves in a legitimate manner.

*Restore culture of respect for the law* - to encourage/help and instill in the community a culture of respect for the law and participative citizenship.

*A partnership approach* - to foster integrated and joint responsibility between all City of Tshwane departments and relevant role players (private sector; community and nongovernment organisations) that can assist, invest and participate to ensure optimal community safety to all.

## ROADS AND STORMWATER

### International Agreement with the Bicycle Partnership Programme (ICE Netherlands)

The City of Tshwane has embarked on a project in Atteridgeville to promote cycling as a mode of transport to the rail stations and the schools in the area. The project focuses on the provision of

infrastructure, parking facilities at the station, establishment of cycle shops and marketing and awareness campaigns.

The Roads and Stormwater Division, who leads the project, realised the need for international assistance with the planning. A cooperation agreement was signed with the Bicycle Partnership Programme, supported by the Dutch Company, Interface for Cycling Expertise and the Bicycle Empowerment Network Company.

The partnership with the Bicycle Partnership Programme enabled the City of Tshwane to host a very successful Non-Motorised Transport Workshop from 17 to 19 November 2008. The workshop was attended by national and provincial representatives, officials from other municipalities, representatives from academic institutions, service providers and other nongovernmental organisations.

### 5.3.3 STRATEGIC PARTNERSHIPS

Various departments have entered into partnerships with both Provincial Government departments and the private sector to leverage both economic and strategic benefits. Listed below are some of the more noteworthy partnerships:

| Department | Partner and Reason |
|---|---|
| **Electricity** | Eskom Menlyn: For electrification projects<br><br>Eskom DSM Megawatt Park: For the Energy Efficiency Demand Side Management (EEDSM)<br><br>Central Energy Funds (CEF): For the Energy Efficiency Demand Side Management (EEDSM) |
| **City Planning NW Region** | Partnership established with the business community through the Northern Choice Chamber of Commerce and Industry (NCCCI). Several joint workshops held to identify issues that hinder economic growth as well as areas of collaboration for social development. The Service Delivery Task team established in the region brings together representatives from critical service delivery departments, North West Development Cooperation and business sector to deal with critical areas and identify better ways of improving service delivery. |
| **Community Safety** | **1.** Gauteng Province and SAPS<br>**2.** Provincial Department of Community Safety<br>**3.** National RTMC<br>**4.** Coordination and Planning Committees<br>**5.** Provincial TMG<br>**6.** SAPS |
| **The Smart City programme** | CSIR –Meraka; To build and operate the network for research and academic institutions, collaboration and information sharing and other Smart initiatives.<br><br>Gauteng Provincial government (SMMT-Gauteng online): To design and build the Gauteng online network for schools in Tshwane and provide access to High Sites to assist communications.<br><br>Unisa/UP: For research and technical support on Smart Initiatives. |
| **Economic Development** | The Tshwane Market has signed a memorandum of understanding with Absa to develop a credit product that will provide the informal trader access to finance. A need has been identified within this sector of the economy for credit to facilitate growth that will eventually lead to them migrating to the formal economy. |
| **Housing** | Provincial Department of Local Government and Housing and Standard Bank for the development of in excess 12,000 mixed income integrated housing units at Nellmapius |
| **Roads and Stormwater** | The Division was instrumental in facilitating the partnership with the Development Bank of Southern Africa/SAICE programme for developing technical capacity in municipalities involving civil engineering, as well as city planning and financial management<br>The Division also engaged the South African National Roads Agency (SANRAL) in a number of ventures, from planning and major project feasibility assessments for the PWV9 and proposed Route K99, to social development/local area improvement projects. |
| **Sport, Recreation,** | 1. Department of Arts and Culture |

| Department | Partner and Reason |
|---|---|
| **Arts and Culture** | 2. Department Sports, Arts Culture and Recreation - Gauteng Provincial Government<br>3. Unisa (University of South Africa)<br>4. UP (University of Pretoria)<br>5. TUT (Tshwane University of Technology)<br>6. National Flagship Institute<br>7. Freedom Park Trust<br>8. Kara Heritage Trust<br>9. South African National Visual Arts Association<br>10. South African Museums Association<br>11. International Council of Museums (ICOM) |

### 5.3.4 EVENTS IN THE CITY OF TSHWANE

Various annual events are hosted by the City of Tshwane, involving different sectors of the community, some of these activities engaged in during the year include:

#### HOSTING THE 2009 CONFEDERATION CUP AND THE 2010 SOCCER WORLD CUP

The City takes pride in being one of the host cities for the 2010. The 2010 Soccer World Cup offers the City of Tshwane the following opportunities:

- Demonstrate strong inter-governmental relationships;
- Project a strong image of the City;
- Harness tourism as a springboard for economic development;
- Improve bandwidth and connectivity;
- Efficient use of natural resources;
- Leverage 2010 to fill the skills gaps;
- Leverage 2010 to improve social cohesion in the City;

Although the South African Police Service took primary responsibility for the implementation and coordination of safety and security for the 2009 FIFA Confederation Cup Tournament**,** the Community Safety Department, as part of the City of Tshwane as the Host City, played a major role to ensure the safety of everybody within the City. The host city undertook to adopt all measures to fully implement the safety and security operation in support of the South African Police Service and to provide any other related assistance requested. The Community Safety Department can once again with pride claim that they did the City of Tshwane as a 'Host City' proud in ensuring that all safety and security measures were taken to ensure that the 2009 FIFA Confederation Cup tournament turned out to be a most successful event. The overall results speak for themselves and it can be proudly stated that no serious incidents were recorded and that an amicable relationship was established with all role players ensuring cooperation without unnecessary disagreement.

Water and sanitation services are available at all the stadiums which will be used for the 2010 World Cup. Some work, however, has to be done to the water and sanitation system, this includes:

- The water and sewer pipes at Loftus stadium will be upgraded with the new hotel which is planned on the northern side of Loftus.
- Water and sanitation services to the Grand Stadium in Soshanguve will be upgraded.

**Health services**

- City of Tshwane Health together with Gauteng Department of Health have identified hospitals that will serve the match venue as well as the training venues;
- Emergency Medical Services (EMS) -
  - Local clinics will remain health care centres;
  - 50 Additional ambulance have been procured by Province for Gauteng;
  - Equipped Mobile Health Posts (Human, Technical, equipment) will be provided in FCC and 2010 precincts;
- The following programmes will be rolled out:

- Disaster Management Plans for each identified hospital linked to a venue;
- Health Volunteer Programme (reservists) in response to shortages; and
- Health Operational Plans for each precinct.

**Disaster Management**

- An audit was conducted of all Tshwane FCC and 2010 precincts; and
- Operational Plans were finalised.

**2010 Preparations from an Environmental Health perspective**:

*Accreditation of Accommodation Establishments*

All Confederation Cup 2009/2010 FIFA World Cup™ – Team Base Camp Hotels in Tshwane which appear on the list were visited, inspected and finally accredited. These included among others Velmore Hotel, The Villas Luxury Hotel, Irene Country Lodge, Lerina Lodge, etc.

*Guest Houses and Bed and Breakfast Operators Training*

So far approximately 95 bed and breakfast and guest houses operators have been trained on good hygiene practices and safe food handling. These were trained by the Environmental Health section in conjunction with Local Economic Development and City of Tshwane Tourism Division.

*Training and Accreditation of Informal Food Traders*

Informal Food Traders have been formally trained and accredited by the section working with LED and other relevant stakeholder departments. These trainees were provided with equipment such as cooler boxes and aprons which are City of Tshwane branded to assist them in maintaining a good standard of hygiene as recommended during the training. 68% of the informal food premises (selling points) inspected were found to be compliant.

*Issuing of Certificates of Acceptability for Formal Food Premises*

Approximately 89% of all formal food premises in the City of Tshwane have been issued with the Certificate of Acceptability (R918) in line with the regulations promulgated. The City further monitors the progress made in terms of Tobacco Control Monitoring and Compliance in line with the relevant legislation. The programme further includes checking food and water samples to ensure compliance.

**City beautification** is a critical component in preparation for the Confederations Cup and 2010. The following are the key areas and elements of the city beautification programme.

Priority Precincts
- Loftus Stadium;
- HM Pitje Stadium, Mamelodi; and
- Super Stadium, Atteridgeville.

Preparations for 2010 will therefore intensify, and will include:

In terms of the 2010 Green Goal initiative the Environmental Management Division hosted an information session on 25 May 2009 to promote compliance with recommended minimum standards for accommodation establishments in Tshwane. The session included presentations by the Environmental Management Division, the Tourism Division, and Sustainable Energy Africa (SEA) supplemented by exhibitions. The aim was to build capacity and create buy-in.

The current state of the Church Street Mall is of great concern to the Region. The Region is driving an initiative through its Service Delivery Committee to resolve the matter and to return the mall to a pedestrian mall as was initially intended. Ongoing communication with the Community Safety Department and Economic Development is taking place to restore the mall before the 2010 World Cup.




**World Food Day**

The Agriculture and Environmental Management Department hosted World Food Day on 11 November 2008 that was attended by over 500 people supported by key role players such as the United Nations Food and Agriculture Organization (FAO), GDACE, Ward Committees, YARD and WARD.

World Food Day is commemorated, internationally each year during October. South Africa is involved on a National, Provincial and Local Government level. World Food Day was celebrated in the City of Tshwane during October and November 2008 with different participating informal food vendors, identified by the City.

The aim was to promote awareness regarding safe food handling and to empower the informal food handlers. The target group for these education sessions was Informal Food Traders at the major sport stadiums where the Confederations Cup, as well as the 2010 Soccer will be hosted.

Information was provided on the licensing requirements in the City of Tshwane. During a certificate ceremony which was held on 28 November 2008 at the Sammy Marks Library Hall, the food traders were awarded a certificate of participation, a cooler box with two ice packs and an apron, printed with pictures of some of the principles mentioned for safe food preparation.





### SA LIBRARY WEEK

The programmes were mainly held during SA Library Week in March 2009. In total 4,529 children and youth were reached by presenting puppet shows, library orientation, readathons, puzzle building, storytelling, indigenous games, treasure hunts, dance, poetry, debate and drama programmes.

External partners in these programmes were among others University of Pretoria, Sabinet, Love Life Generation, Gauteng SRAC Sports Division, National Children's Trust, User Committees, schools, school governing bodies, and other community members.

During the 2008/09 financial year the City of Tshwane not only participated in the National and Provincial Elections, but hosted among others the Inauguration of the New State President of South Africa. Both these events entailed logistic and operational arrangements and performances of a grandeur nature. All core functional components of the Community Safety Department committed themselves and ensured that the community of Tshwane could cast their respective votes and enjoy the inauguration procedures in a safe and secure environment. The Inauguration of the new President took place on Saturday, 9 May 2009 in the Capital City of South Africa, the City of Tshwane, at the stately Union Buildings.

An Environmental Awareness Excursion was undertaken at the Walter Sisulu Environmental Centre on 24 June 2009 to expose attendees to hands on holistic approach of addressing environmental challenges. The excursion was attended by Ward Councillors, Ward Committee members and 'nongovernment organisations from the North East Region.

### OCCUPATIONAL HEALTH AND SAFETY WEEK

The Strategic Occupational Health and Safety Management unit in conjunction with the Occupational Health and Safety Operations Management section presented the City of Tshwane Occupational Health and Safety Week from 4 – 8 May 2009. During this week exhibitions were held and posters were displayed at various workplaces of the City of Tshwane. An OHS competition was also held in an effort to increase awareness among employees with regard to Occupational Health and Safety. A prize giving event was held during which the Acting Strategic Executive Director: Corporate and Shared Services presented the prizes to the winners.

## 5.4 LEVEL AND STANDARD OF SERVICE

### ELECTRICITY

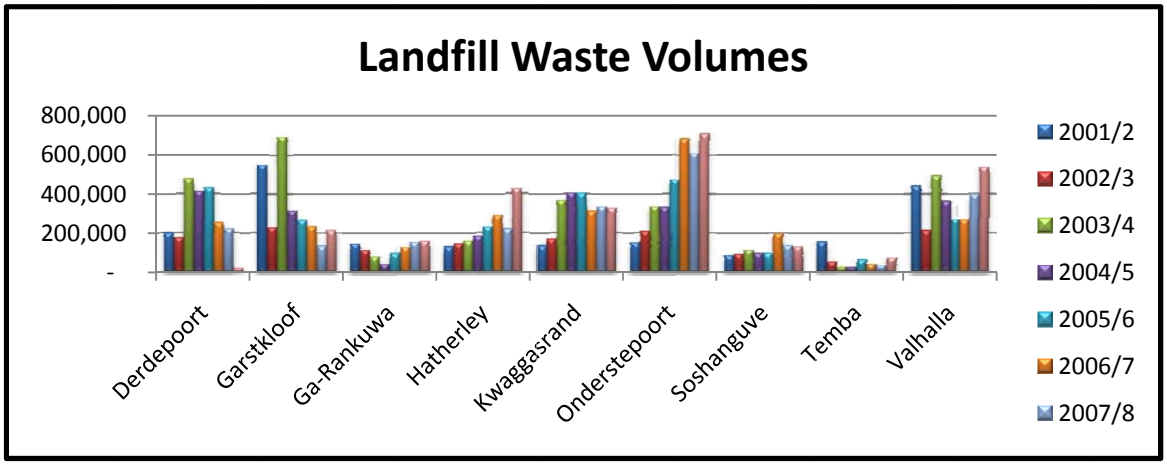
Formalised (unproclaimed) townships receive '20 Ampere Prepaid Meter Boxes' and Readyboard Life0line' connections free of charge. 50 kWh of free energy is provided to indigents.
Energy and Electricity subscribe to the NRS 048 and NRS 047 service standards. The division achieved the 100% and 81% respectively for both service standards and in so doing met the target set.

### TRANSPORT – WONDERBOOM AIRPORT

The level and standard of service at Wonderboom Airport is legislatively prescribed by the Civil Aviation Act and all other related Acts, Regulations and Policies, as well as the Standards and Practices as provided for by the International Civil Aviation Organisation (ICAO), as implemented under the authority of the Civil Aviation Authority

### AGRICULTURE AND ENVIRONMENTAL MANAGEMENT

**Landfill yearly waste volumes received: 2001/02 – 2008/09**




### COMMUNITY SAFETY

The Community Safety Department is strictly guided by the following legislation and Level and Standard of Service:

Proactive Policing Services and Strategic Policing Interventions Services as law enforces:

- The Road Policing Act 93 of 1996;
- Police Act 68 of 1995;
- Bylaw Act as outlined in terms of Proactive Policing Environment.

The Fire Brigade Services within the Community Safety department has a 60.14% compliance with ASD and the Emergency Services Master Plan that is response times to fire incidents, placement of vehicles at stations and number of stations operational, as illustrated below:

| TARGET | ACTUAL |
|---|---|
| 64,75% Personnel and resources average | 60,14% |
| 14 Fire stations operational | 14 Fire stations operational |
| 200 Personnel on averagely on duty/day | 84 people |
| 12 Minute average response time | 11, 93 Min |

The Disaster Management Services Unit:

- National Disaster Management Framework of 2005;
- Disaster Management Act 57 of 2002.

### ECONOMIC DEVELOPMENT

#### FRESH PRODUCE MARKET

We have set the following minimum standards for the level and quality of the services we provide:

- The market will stock quality produce that is adhering to SA Health Standards.
- We will tend to telephone enquiries within one working day.

## 5.5 FREE BASIC SERVICES

| Department | Free Basic Service |
|---|---|
| **Energy and Electricity** | Free basic electricity has been provided to all the indigent consumers of Tshwane. The Tshwane supply area is divided into two supplier areas, namely the Tshwane energy and electricity and the Eskom supply area. Free basic electricity of 100 kwh has been provided to all electricity consumers in these areas and the City of Tshwane has paid free of charge electricity of consumers in the Eskom areas. 26,756 consumers receive free basic electricity including Eskom licence area of supply. |
| **Economic Development** | The Tshwane Bus Services provided free services on the bus fare for the pensioners, disabled and scholars. 2,094 permits were issued for pensioners, 976 for disabled people and a discount of R4,70 per ticket was issued to scholars |
| **Health and Social Development** | According to the Health Act all women and children in South Africa without a medical fund have the right to free PHC services. All patients seen at City of Tshwane clinics are seen free of charge and no fees are charged. |
| **Housing** | Provides water through water tankers, Jojo tanks and communal taps to 41 informal settlements.<br><br>Provision of chemical toilets: 383 chemical toilets are distributed among 13 informal settlements within the City of Tshwane boundaries and the remaining informal settlements are using pit |

| Department | Free Basic Service |
|---|---|
| | latrines, and at some stage such pit latrines fill up and need to be dealt with. Those areas that are not be provided with waterborne or chemical toilet sanitation need to be provided with Urine Diversion System (UDS) toilets and funds are not available to provide such a service |
| **Sport, Recreation, Arts and Culture** | Free membership of libraries was approved and will be implemented from July 2009 |
| **Water and Sanitation** | According to the approved 2009/10 Medium-Term Revenue and Expenditure Framework for the City of Tshwane, 12 kL of water, and 98% of 6kl water per 30-day period will be granted free of charge to registered indigents.<br><br>Areas where a basic level of service has been installed, that is a standpipe within 200 m from any dwelling, also provide a free basic water component.<br><br>By end of June 2009, a total of 74,740 households were within 200 m from a standpipe. This basic level of service is currently being upgraded to a full service level |

## 5.6 ACHIEVEMENTS ON THE CITY SCORECARD AS PER THE IDP – 2008/09

### 1 PROVIDE QUALITY BASIC SERVICES AND INFRASTRUCTURE

* Total households for the City is 686,640 as per the Stats SA 2007 Community Survey, since there were no new household figures released.

| Key Performance Areas (KPA's) | Five-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non-achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| Provide:<br><br>Electricity | Eradicate basic services backlogs equal to or earlier than national targets (2012) | % of households with access to basic or higher level of electricity (NKPI) | 100%<br>in Tshwane supply area<br><br>82%[21] for all areas in Tshwane | Target 07/08<br>512,217 h/h receive electricity as per SDBIP<br><br>Achieved 07/08<br>77,4%<br>(531 459 h/h[22] out of 686 640 h/h) | Maintain or increase baseline of 77,4% | 78,5%<br><br>539,401 h/h out of 686 640 h/h<br><br>531 459 h/h of FY2007/08 year + 7,942 new connections[23] | N/A | N/A |
| Water | Eradicate basic services backlogs equal to or earlier than National targets (2008) | % of households with access to basic or higher level of: water (NKPI) | 89%[24]<br><br>20,198 water connections<br>Households with access to basic or higher water | Target 07/08<br>547,421 h/h receive water as per SDBIP<br><br>Achieved 07/08<br>97,1%[25]<br>Piped water:<br>(666,724 households) | Maintain or increase baseline of 97,1% | 98,6%<br><br>676,794 h/h have access to piped water.<br><br>666,724 h/h of FY2007/08 + 6,794 new connections delivered by water and sanitation + 3,276 new connections provided by housing.[26] | N/A. | N/A |
| Sanitation | Eradicate basic services backlogs equal to or earlier than National targets (2010) | % of households with access to basic or higher level of sanitation (NKPI) | 20 849 sewer connections<br><br>Households with access to basic or higher | Target 07/08<br>479,999 h/h receive sanitation as per the SDBIP | Maintain or increase baseline of 97,6% | 98,5%<br><br>676,274 h/h have access to basic or higher sanitation. | N/A | N/A |

[21] HSRC Tshwane Citizen's report card survey done in 2006
[22] Household figures based on Stats SA 2007 Community survey
[23] Indicator 1.1.1.1 on SDBIP municipal scorecard
[24] Tshwane report card survey (HSRC, 2006)
[25] StatsSA 2007 Community Survey
[26] Indicators 1.2.1.1 and 1.2.2.1 of the SDBIP municipal scorecard

| Key Performance Areas (KPA's) | Five-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non-achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | | | sanitation:<br>Flush toilets: 72%<br>VIP toilets: 23%<br>95% with access[27] | Achieved 07/08<br>(97,6%)[28]<br><br>670,161 have access to basic or higher services | | 670,161h/h of FY2007/08 + 2,463 new connections provided by water and sanitation + 3,650 new connections provided by housing.[29] | | |
| Solid Waste Removal Services | Eradicate basic services backlogs equal to or earlier than National targets<br><br>Universal access to solid waste removal by 2011 | % of households with access to basic or higher level of solid waste removal(NKPI) | 84,6% | Target 07/08<br>760,634 waste service points as per the SDBIP<br><br>Achieved 07/08<br>77,1% of households with access to basic or higher waste removal services (529,399 households)[30] | Maintain or increase baseline of 77,1% | 89%<br><br>611,763h/h<br><br>529,399h/h of FY2007/08 + 9,364 new kerb side waste removal + 73,000h/h provided with communal skips. [31] | N/A | N/A |
| Housing | Accelerate Housing delivery by 2014 | % of households living in formal dwellings | 77,6%<br><br>7,609 Of the 620,210 h/h 481,155 of households have access to formal housing | Target 07/08<br>77.36%<br>486,767 h/h live in formal dwellings out of 621,210 h/h as per SDBIP.<br>Achieved 07/08<br>70,8%<br><br>Of the 686,640 h/h 486,161 of households have access to formal housing. Household numbers increased from 621,210 to 686,640.[32] | Maintain or increase baseline of 70,8% | 71,2%<br><br>489,060 households live in formal dwellings due to 2,899 houses being registered to owners in the 08/09 year. [33] | N/A | N/A |

[27] HSRC, 2006, Tshwane Citizen's report card survey
[28] Includes toilet facilities (flush, chemical, dry, VIP)
[29] Indicator 1.3.1.1 and 1.3.2.1 on the SDBIP municipal scorecard
[30] Removed by local authority
[31] Indicator 1.4.1.1 and 1.4.2.2 on SDBIP municipal scorecard
[32] This figure when added to the informal % provided by Stats SA does not add to 100% but to 97.6 % which leaves room for error of 2.4%

| Key Performance Areas (KPA's) | Five-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non-achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| City Planning | Contribute towards the national target of formalising[34] 100% of 65[35] informal settlements that can be formalised. By 2009, all informal settlements that can be established[36] as townships are established and the rest established by 2014 | % of households living in proclaimed[37] townships/areas | | Not an 07/08 target<br><br>However, the following achievements were reported.<br>100% -20,7% = 79,3%, that is 544 506 households) [38]<br><br>142 134 households living in informal areas (StatsSA households distributed by main dwelling: Informal dwellings in informal settlements (19,7% + Traditional dwellings (huts) 0,5% + Other 0,5% = 20,7%) | Maintain or increase baseline of 79,3% | 79,3%<br><br>(544,506 h/h) | The figures are the same as the previous year due to no proclamations being completed yet. Stats SA has not released any new survey data to indicate how the households may have changed. Although no proclamations have been completed, we have formalised 15 informal settlements. | Work with stakeholders to proclaim townships. |
| Roads | Provide roads infrastructure that meets the growth demands and prevent the creation of backlogs | (1.7.2.1) Km of road as a proportion of square km of proclaimed area in the City of Tshwane | 37,5 km | 07/08 target<br>12.4 km of new roads<br><br>07/08 achievement<br>51,7 km | 11.56 changed to 18,60 km pas per the dept plan | 24,5 km of roads delivered.[39]<br><br>No new areas proclaimed as yet. | N/A | N/A |
| Stormwater | Eradicate basic services backlogs equal to or earlier than National targets | (1.7.4.1) Km of backlog of stormwater drainage systems eradicated | 39,7 km | 07/08 target<br>81.2 km<br><br>07/08 achievement<br>89,8 km | 129.6 km on IDP changed to 35.7 km on SDBIP | 76.67 km[40] | Owing to EIA approval delays, some stormwater drainage projects have not been implemented | EIA approvals are not within the control of the City of Tshwane, however we will continue to engage with decision makers to fast track decision |

[33] Indicator number 1.5.1.2 on SDBIP refers to 0 hostels being completed, and 1.5.1.3 refers to 2,899 houses being registered to owners.
[34] Formalizing townships (Housing Dept) = township that was pegged and ready for the installation of services – thus a township where stands can be identified.
[35] As per HCPEM departmental detail report for the 4th quarter 2006/7
[36] Established township = Township approved by Council
[37] Proclaimed township = Township proclaimed in the Provincial Gazette after it was approved by Council
[38] The difference between this figure and the figure given for the % of households living in formal dwellings is the number of "informal dwellings, e.g. shacks in backyards that were added to proclaimed areas – i.e. there are "informal dwellings" in proclaimed areas.
[39] Indicator 1.7.2.1 on SDBIP municipal scorecard
[40] 50km provided by roads and stormwater and 26.67 km by housing

| Key Performance Areas (KPA's) | Five-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non-achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | making. |
| | | Km of new Stormwater drainage systems provided | 34,48 km[41] | 07/08 target<br>4.4 km<br><br>07/08 achievement<br>35 km | 2,7 km | 20,8 km[42] | N/A | N/A |
| Public Transport | | Number of trips per capita (total passenger/ population) p.a. on public buses | | 07/08 target<br>Not an 07/08 target<br><br>07/08 achievement<br>6.1<br><br>*(14,279, 126[43] /* 2,345,908[44]) | Maintain or improve the baseline | 6.5<br><br>(14,000,000[45]/2,147,883[46]) [47] | N/A | N/A |
| Infrastructure Maintenance | Expenditure on infrastructure maintenance is in line with national norms and standards by 2011 | Restructuring Grant target of: 14% to Total Income (TOI) | Repairs and Maintenance to Total operating income 9,13%[48]<br><br>R725,763,000 | 07/08 target<br>14%<br><br>07/08 achievement<br>16% | 10,7% | | | |

[41] Information from 2006/7 Annual report as provided by the Public Works Department
[42] Indicator 1.7.5.1 on SDBIP municipal scorecard
[43] Nr of trips taken from the 2006/7 Annual report as provided by the Economic Development Department
[44] StatsSA 2007 Community survey estimate of total population
[45] Estimate supplied by Economic Development Department
[46] Total population for 2008 as per Global Insight
[47] Indicator 1.8.1.1 on SDBIP municipal scorecard
[48] Information as per Finance Department report, dated 27 July 2007 on the Provisional Financial Statements

## 2 ACCELERATE HIGHER AND SHARED ECONOMIC GROWTH AND DEVELOPMENT

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 2008/09 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| Facilitate Higher Economic Growth | 6% growth in the City of Tshwane GVA | GVA | 7,8%[49]<br><br>The GVA per capita for City of Tshwane in 2006 was R48,399 | 07/08 target<br>6%<br><br>07/08 achievement<br>6%<br><br>The GVA in 2007 was R157,741 billion | 6% | 3,3% [50] | N/A | N/A |
| | Decrease in the Gini co-efficient by 0.01 p/a | Gini-coefficient | 0.57[51] | 07/08 target<br>0.56<br><br>07/08 achievement<br>0.63 | 0.56 | 0,62[52] | The target was too high. We have as a city however showed an improvement in the Gini reducing inequality from 0.63 to 0.62. | Continue to fast track provision of projects that meet basic needs and facilitate skills development and job creation. |

[49] Figure from Global Insight because STATS SA does not provide economic data by municipality
[50] due to impact of global economic slowdown
[51] Information as provided by the Economic Development Department for the 2006/7 Annual report
[52] Figure from Global Insight

## 3 TO FIGHT POVERTY, BUILD CLEAN, HEALTHY, SAFE AND SUSTAINABLE COMMUNITIES

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| Fight Poverty | No target previously set | % of Tshwane population living below R3,000,00 p.a. (in constant 2,000 rand)(Poverty head count index) | none | 07/08 target<br>< 224256 poor households.<br><br>< 725 new poor households<br><br>07/08 achievement<br>47,6% (1,116,297) of the population live on R3,000 or less per annum) - this is a total population figure) (StatsSA Community survey 2007 estimate) | Maintain or improve the baseline<br><br>SDBIP target was to register 65,000 households to have access to free basic services | 68,696 households were registered as indigent.<br><br>No new poverty head count information has been made available; therefore% of the total population cannot be calculated. | N/A | N/A |
| Provide health care services | 100% of the uninsured population have access to PHC services within 5 km of their homes | Percentage of uninsured households with access to PHC within 5 km of their homes | 98% | 07/08 target<br>98%<br><br>07/08 achievement<br>98% | 98% | 98% | N/A | N/A |
| Decrease the crime levels working with the National Criminal Justice System, the South African Police Service, Business and communities, ensuring visible policing and strengthening the municipal court system | Achieve a decrease of 1% below the Gauteng crime levels in Tshwane | Tshwane crime levels benchmarked against Gauteng crime levels per type of crime – to be 1% lower in Tshwane than in Gauteng | 1% below or higher was [53]achieved for the following crimes:<br>• Assault<br>• Robbery with aggravating circumstances<br>The following crimes need priority attention:<br>• Common robbery<br>• Burglary at residential premises<br>• Theft of motor | 07/08 target<br>-10% for all categories<br><br>07/08 achievement<br>Residential burglary: City of Tshwane -2.95%, Gauteng – 3.96%<br><br>Business burglary: City of Tshwane +1,9%, Gauteng +6.83% | 1% lower in Tshwane than in Gauteng | No official updated information from SAPS for 2008<br><br>Departmental reporting shows:<br>• Assault: 8,305<br>• Robbery: 5,476<br>• Common Robbery: 3,195<br>• Burglary at residential premises 13,749 | N/A | N/A |

[53] SAPS crime statistics released once a year

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | | | vehicle and motorcycle<br>• Theft out of or from motor vehicle<br>• Drug related crime<br>• All theft not mentioned elsewhere<br>where the Tshwane crime rate was higher than the Gauteng crime rate | Vehicle theft: City of Tshwane -2,2%, Gauteng -4.12%<br><br>Car hijacking: City of Tshwane +1.05%, Gauteng +6,9%<br><br>Assault: City of Tshwane – 0.65%, Gauteng +0.32%<br><br>Rape: City of Tshwane -4.85%, Gauteng -3,3%<br><br>Public Violence: City of Tshwane -1,1%, Gauteng -2,3% | | • Theft of motor vehicle and motorcycle 5,716<br>• Theft out of or from motor vehicle 6,465<br>• Drug related crime 3,069<br>• All theft not mentioned elsewhere 19,538 | | |
| Ensure the safety of our communities, businesses and roads, fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard | City of Tshwane is 70% prepared for emergencies in terms of the emergency management master plan | % of fires and other emergencies responded to within the service level agreement with GPG guidelines (in terms of time and response level) | 100%<br><br>53,637 | 07/08 target<br>70% preparedness<br><br>07/08 achievement<br>100%[54]<br><br>60,915 [55] (ambulance services)<br><br>Fire Brigade (All incidents 12,276) | 90% on IDP<br><br>SDBIP target= respond to 100% of fire incidents and 55,000 patients with the ambulances | 100%<br><br>4,908 fire<br>76,031 medical | N/A | N/A |

[54] Departmental reporting
[55] This figure includes the patient head count + the selective standby services

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | City of Tshwane has documented a Disaster risk management plan (in 3 levels) with responsibilities identified and contingency planning implemented by all departments and entities | Levels of the disaster risk management plan fully implemented | Level 1 developed | 07/08 target<br>Level 2 as per IDP<br><br>07/08 achievement<br>100% Level 1 plan | 30% of 85% of a level 2 plan | 100% of 85% (level 2 plan) | N/A | N/A |
| Promote viable (sustainable) communities by establishing mixed human settlements with social and cultural programmes that enable the celebration of diversity and foster social inclusion | | % community satisfaction with quality of life<br><br>This indicator will only be benchmarked annually against the SACN annual report and the HSRC's social attitudes survey | 60% + [56] | 07/08 target<br>No target- it was to be benchmarked against the SACN annual report and the HSRC social attitudes survey<br><br>07/08 achievement<br>87% of residents do not consider relocation to another city | Maintain or improve baseline | No new information available from HSRC<br><br>However, the customer satisfaction survey conducted by the City shows:<br>Overall 44,3% of households are satisfied with the service delivery of City of Tshwane, with only 21, 4% being unsatisfied. 34, 3% did not give an opinion.<br><br>This shows that 67,6% of those that responded are happy with City of Tshwane service delivery. | N/A | N/A |
| Promote environmental sustainability | Environmental sustainability to be improved | % of conservation areas proclaimed | | Not an 07/08 target<br><br>07/08 achievement<br>2.85% | Maintain or improve baseline | 0% | The reason that there was 0% conservation areas proclaimed is that proclamation of new conservation areas is carried out by the Gauteng Department of Agriculture and Rural Development (GDARD) The Provincial legislation on the proclamation of new conservation areas is currently being reviewed | N/A |

[56] Data used to establish baseline was the SACN annual report for 2006, p. 3-46 which was based on the HSRC's SA social attitudes survey. The benchmark for all 9 SACN cities was 58%. CITY OF TSHWANE was the second highest after Mangaung. The SACN annual report will be utilised to report annually on this indicator

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 20080/9 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | and will be replaced by the "Area Protected Act" which has not been finalised yet. Proclamations are therefore currently not being dealt with until the above Act has been promulgated | |
| Provide sports and recreation facilities and services to communities | Maintain or improve current expenditure | 'R' spent per capita on sports and recreation facilities and services | | Not an 07/08 target<br><br>07/08 achievement R40,086,456/2345 908 = R17.08 per annum | Maintain or improve baseline | R190, 609,526 of the capital budget spent for 2,345,908 people= R81.25 per annum. | N/A | N/A |

## 4 FOSTER PARTICIPATORY DEMOCRACY AND BATHO PELE PRINCIPLES THROUGH A CARING, ACCESSIBLE AND ACCOUNTABLE SERVICE

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 06/07 | Achieved 07/08 | Targets 2008/09 | Achieved 2008/09 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| Optimise effective community participation in the ward committee system | All essential stakeholder forums are effective in their functioning by 2011 | % of ward committees that are working effectively | 92,8% of ward committees function actively<br><br>7 out of 76 wards not fully functional | 07/08 target<br>100%<br><br>07/08 achievement<br>99%<br><br>75 of 76 wards functional. 1 ward committee officially declared unofficial and thus did not perform. (Citizens Scorecard Survey).<br><br>Footnote for additional notes[57] | Maintain or improve baseline | 100% | N/A | N/A |
| Batho Pele and customer relations management | Annually increase the percentage of residents surveyed that indicate they are satisfied with City of Tshwane responsiveness | % of residents surveyed who indicated satisfaction with City of Tshwane responsiveness | Respondents to the Tshwane residents' and business satisfaction survey 2006 rated the city's responsiveness[58] at 49,8%.<br><br>22% of respondents to the above survey have lodged complaints during the previous 12 months of which 79% felt that their complaints had not been dealt with satisfactorily | Not an 07/08 target<br><br>07/08 achievement<br>Tshwane Survey indicated that 60% of residents are satisfied with the current changes.<br><br>Business Satisfaction survey indicated that 38% of cases were resolved fully and 25% partially. | Maintain or improve baseline | 67,6% of those who had an opinion in the survey conducted are satisfied with the service performance of the City of Tshwane | | |

[57] Business Satisfaction reported that 83% of Informal and 85% of Formal Businesses are UNAWARE of the ward committee. 80% Informal and 84% Formal Businesses are UNAWARE of their ward councillor. 92% Informal and 93% Formal Businesses are UNAWARE of the councillors' role and function. Tshwane Survey indicated that 58% of residents do not know their ward councillor and less than 30% participated in ward committee meetings.

[58] I.e. promptness

## 5 TO ENSURE GOOD GOVERNANCE, FINANCIAL VIABILITY AND OPTIMAL INSTITUTIONAL TRANSFORMATION WITH CAPACITY TO EXECUTE ITS MANDATE

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 2008/09 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| Financial management (financial viability) | Financial viability is achieved in terms of the RG targets | Number of financial targets as projected per MTREF achieved | | 07/08 target<br>All projections achieved<br><br>07/08 achievement<br>All financial targets as per MTREF achieved | All projections achieved | Not reported | Not reported | Not reported |
| | Ensure sustainability | Rates burden (total revenue from property tax/total number of properties on the property evaluation roll | | 07/08 target<br>R1 935 541/ 452 934<br><br>07/08 achievement<br>R1 935 541,000/ 452 934[59] = R4 273.34 per annum or R 356.11 per month | Increase in line with MPRA | 3 101 648 644.66/ 514 957<br>=R 6 023.12 per annum<br><br>=R 6 023.12/12<br>= R501.93 per month | NA | NA |
| Sound HR management (capacity to execute mandate) | The organisational structure is 100% aligned to deliver on the City of Tshwane strategic objectives by 2009 | % of Key Performance Areas annually achieved | | Baseline as reported in the 2006/07 annual report (that is 34 out of 60 or 56,7%)<br><br>07/08 target<br>100% | Increase baseline | Not reported | Not reported | Not reported |
| | Achieve national norms and standards by 2011 in terms of the% budget to be spent on implementing the workplace skills plan | % of a municipality's budget actually spent on implementing its workplace skills plan (NKPI) | The City of Tshwane is paying 1% of the remuneration budget as levies to the SETA, which is an estimated amount of R18 024 404 Skills levies paid 2006/07 R8 729 737.55 Grants Claimed | 07/08 target<br>1%<br><br>07/08 achievement<br>R19 454 611 (that is 1% of the remuneration budget) was paid in skills levies to the LGSETA | 1% of the remuneration budget | 0,29% | This was due to budget cuts<br><br>R215 620 was spend on internal and external training | |

[59] Land parcel summary as at end June 2007

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 2008/09 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | | | R4,485 109.75 Training Budget for 2006/07 R31 598 914 | | | | | |
| Institutional Transformation | Annually achieve the targets set out in the Municipality's EE plan thereby achieving 100% of the EE plan by 2011 | The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. (NKPI) | 208 employees 38% (25,9% male) (12.% female) of levels 1-4 are African<br>18 employees 3,3% (2,6% male) (0,7% female) of levels 1-4 are Coloured<br>16 employees 2,9%(2% male) (0,9% female) of levels 1-4 are Indian<br>306 employees 55,8%(40% male) (15,9% female) of levels 1-4 are White | 07/08 targets<br>97% (roads and stormwater)<br>75% (Housing)<br>80% (Emergency Management services)<br>100% (metro police)<br>75% (City Planning)<br>75% (Agriculture and Environmental Management)<br>80% (water and sanitation)<br>85% (finance)<br>70% (Corporate services)<br><br>07/08 achievements<br>58,2% of employees (levels 1-4) are from the designated groups<br><br>Total Nr employees appointed levels 1-4: 189 of which 46 are female (24,3%)<br>And 143 (75,7%) are male.<br>84 (44,4%) are African<br>5 (0.03%) are Coloured<br>5 (0.03%) are Indian<br>95 (50%) are White | As per approved EE plan | 15.05% of employees (levels 1 – 4) are from the designated groups<br><br>87 employees appointed levels 1-4: 51 are females (58.62%)<br><br>And 36 (41.37%) are males<br><br>35 (40.22%) are Africans<br><br>1 (1.15%) are Coloured<br><br>2 (2.29%) are Indian<br><br>6 (6.89%) are White | N/A | N/A |
| Good Governance | 95% of City of Tshwane residents surveyed indicated that City of Tshwane governs | The percentage of residents of Tshwane who have indicated that City of Tshwane governs well | The Tshwane's Residents and Business satisfaction | 07/08 target<br><br>1 perception survey | Residents surveyed indicated that City of Tshwane governs | 95%<br>Of residents (households) surveyed | N/A | N/A |

| Key Performance Areas (KPA's) | 5-year target(s) | KPI's | Achieved 2006/07 | Achieved 2007/08 | Targets 2008/09 | Achieved 2008/09 | Reasons for non achievement | Corrective measures |
|---|---|---|---|---|---|---|---|---|
| | well | | survey for May 2007[60] indicated the following:<br><br>Less than half (46%) of total sample (n = 1200) felt that the City of Tshwane is doing a good job in delivering the service needed.<br><br>8% of business respondents and 4% of households claim to have been offered a bribe from a city official in the past 12 months. This statistic may be regarded as high depending on the weighting of the severity of a bribe. | 07/08 achievement<br>15,4% of respondents were very dissatisfied with accuracy and correctness of monthly accounts on the 10-point scale<br><br>43,9% of respondents dissatisfied.<br><br>38,4% satisfied. | well | were satisfied with the clarity of accounts.<br>60,4% of residents (households) surveyed were satisfied with the correctness of accounts. 94,6% of residents (households) were satisfied with the regularity of accounts.<br>96,2% of residents (business) surveyed were satisfied with the clarity of accounts.<br>93.10% of residents (business) surveyed were satisfied with the correctness of accounts.<br><br>94,2% of residents (business) surveyed were satisfied with the regularity of accounts. | | |

[60] City of Tshwane. Customer Care Division. 2007 (Research report for City of Tshwane Metropolitan, June 2007, page 98)

## 5.7 CAPITAL PROJECTS PROGRESS AS PER THE IDP – 2008/09

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Agriculture and Environmental Management | | | | | | | | |
| Agriculture and Environmental Management | Environmental Management | Development of Parks (Backlog and New) | 710348 | 2, 4, 24, 3, 7, 56, 60, 62, 50 | 5,000,000 | 4,942,542 | 98.85% | 99% -R4 942 542 spent (2nd, 3rd and 4th phase upgrading of 8 parks citywide) |
| Agriculture and Environmental Management | Environmental Management | Purchase of Mechanical Stump Cutter | 710352 | All regions: Citywide | 600,000 | 551,760 | 91.96% | 92% -R551 760 spent (Purchase of 1 taioler mounted aerial platform for tree felling purposes) |
| Agriculture and Environmental Management | Environmental Management | Development of Hatherley Cemetery | 710467 | | 0 | 0 | NA | No funding in the 2008/09 Financial Year |
| Agriculture and Environmental Management | Environmental Management | Development of Honingneskranz Cemetery | 710468 | | 0 | 0 | NA | No funding in the 2008/09 Financial Year |
| Agriculture and Environmental Management | Environmental Management | Landscaping of Traffic Islands and Entrances | 712471 | North West: 2, 4, 34, 35<br>Central West: 3, 59;<br>North East: 5;<br>Eastern: 38, 53<br>(2,3,4,5,34,35,38,53,59) | 2,000,000 | 1,984,650 | 99.23% | 99% - R1 984 650 spent (Upgrading of 14 City entrances, traffic islands and stadiums in view of the Confederations Cup and 2010 Soccer World Cup |
| Agriculture and Environmental Management | Environmental Management | Green Buildings Programme | 712497 | Central West: 51, 62, 63, 72, 69, 71 | 1,500,000 | 1,492,561 | 99.50% | 99,5% - R1 492 561 spent (Construction of 3,020 km of bicycle lanes in Atteridgeville (Shova Kalula Project and the TIEP) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Agriculture and Environmental Management | Environmental Management | Development and Upgrading of Existing Cemeteries | 712498 | | 5,000,000 | 4,921,068 | 98.42% | 98% -R4 921 068 spent (New Ga-Rankuwa: Upgrading and extension of the admin. building; Mabopane Cemetery: Upgrade and extension of admin. building and ablutions; Marokolong Cemetery: Concrete palisade fencing and gates; Crematorium: Upgrade and rehabilitation of building; Lotus Gardens Cemetery: Construction of internal roads and bus parking; Eersterust Cemetery: Construction of speed bumps; Majaneng Cemetery: Water connection; Laudium Cemetery: Installation of safety bars and repairs to safety glass at admin building; Zandfontein Cemetery: Resurfacing of roads; Olievenhoutbosch Cemetery: Repairs to fencing and planting of lawn.) |
| Agriculture and Environmental Management | Environmental Management | Upgrading of Mamelodi Cemeteries | 712532 | | 2,000,000 | 1,981,041 | 99.05% | 99% -R1 981 041 spent (Hatherley Cemetery: Repair to severely damaged fence line and construction of kerbs for parking; Mamelodi West Cemetery: Construction of concrete palisade fence; Pta East Cemetery: Construction of concrete palisade fence (North -Western side); Bradley Street Cemetery(Mnandi): Erection of 2,4 m high wire mesh fence) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Ga Mothakga Resort | 710435 | Central West: 7 | 5,000,000 | 4,999,301 | 99.99% | 99% - R4 999 301 spent (Upgrading according to Master Terrain Development Plan: swimming pool, ablution facilities, landscaping, portions of the road and parking infrastructure) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Kwaggaspruit Recreation Resort | 710436 | Central West: 3 | 2,100,000 | 2,099,208 | 99.96% | 99% - R2 099 208 spent (Upgrading of barbeque facilities, new swimming pool and landscaping according to approved Master Development Plan) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Derde Poort Resort | 710437 | North East: 5 | 2,000,000 | 1,999,803 | 99.99% | 99% - R1 099 803 spent (Upgrading of youth camp facilities) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Rietvlei Resort (Angling Area) | 710440 | 47 | 3,000,000 | 2,996,844 | 99.89% | 99% - R2 996 844 spent (Phases of upgrade of power supply, sewer systems, entrance gate to Nature Reserve and landscaping) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Fountains Valley Resort | 710441 | 59 | 2,000,000 | 1,998,307 | 99.92% | 998% - R1 998 307 spent (Conceptual planning of the bridge over the Apies River, submission of EIA application and construction of Worker facilities.) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Self Catering Chalets at Rietvlei Nature Reserve | 710445 | 47 | 3,000,000 | 2,994,396 | 99.81% | 99% - R2 994 396 spent (Infrastructure for the 9 existing chalets and further 8 chalets to be constructed in the 2009/10 Financial Year. These include pathways, parking, landscaping and interior outfit of the chalets) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade facilities Groenkloof Nature Reserve | 710446 | 59 | 1,000,000 | 999,790 | 99.98% | 99% - R999 790 spent (Standby staff accommodation, additional ablution facilities at the picnic site, landscape detail planning) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Depot Nature Conservation North | 710449 | 4 | 800,000 | 799,892 | 99.99% | 99% - R799 892 spent (Additional facilities for workers) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Agriculture and Environmental Management | Nature Conservation and Resorts | New Swimming Pool Temba/ Hammanskraal | 711578 | 74 | 4,000,000 | 3,996,120 | 99.90% | 99% R3 996 120 spent (Completion of swimming pools, infrastructure and landscaping) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrade Moretele Park Resort | 711581 | 6 | 3,500,000 | 3,500,000 | 100,00% | 100% - R3 500 000 spent (Upgrading of entrance, landscape, community hall into a restaurant facility, kiosk and lifesaver facility at swimming pool and infrastructure) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | New Soshanguve Recreational Resort (Klipkruisfontein Resort) | 711582 | 37 | 7,000,000 | 6,999,418 | 99.99% | 99% - R6 998 418 spent (Planting of trees, post and rail fencing, electricity reticulation infrastructure and swimming pools) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | New Eersterust Recreational Resort (Stinkwater) | 711583 | 13 | 0 | 0 | NA | No funding in the 2008/09 Financial Year |
| Agriculture and Environmental Management | Nature Conservation and Resorts | New Swimming Pool SAB Park (Ga-Rankuwa) | 712035 | 31 | 800,000 | 796,869 | 99.61% | 99% - R796 869 spent (Terrain Master Plan, soil analysis and zoning issues) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrading of Facilities Rietvlei Nature Reserve | 712051 | 47 | 1,000,000 | 999,997 | 100,00% | 99% - R997 897 spent (Upgrade barbeque facilities at the lecture hall for night game drive bookings and upgrading of sewer system at the entrance building) |
| Agriculture and Environmental Management | Nature Conservation and Resorts | Upgrading of Tjaart v Vuuren Swimming Pool | 712734 | 52 | 1,000,000 | 999,989 | 100,00% | 99% - R999 989 spent (Upgrading of existing pool, fences and building infrastructure) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Agriculture and Environmental Management | Nature Conservation and Resorts | Fencing off Spruit Areas Citywide (Ecological Sensitive and Security Purposes) | 712736 | All regions: Citywide | 6,000,000 | 5,999,857 | 100,00% | 99% - R5 999 857 spent (Fencing of Bishop Bird, Faerie Glen, Luxton Valley, Kwaggaspruit, Medunsa Hills, Moreleta Kloof, Magalies Mountain Range, Moot spruit, Rotary Forest, Rietspruit and Rietvlei Nature Reserve) |
| Agriculture and Environmental Management | Waste Management | Garden Refuse Site Winterveld | 711685 | North West: Winterveld | 1,015,000 | 964,468 | 95.02% | 95% - R964 468 spent (Area of Garden Refuse site changed from Winterveld to Mamelodi due to unavailability of suitable land in Winterveld) |
| Agriculture and Environmental Management | Waste Management | Bulk Containers | 712090 | Tshwane wide | 6,000,000 | 5,952,352 | 99.21% | 99% - R5 952 352 spent |
| Agriculture and Environmental Management | Waste Management | 240 Litre Containers | 712092 | Tshwane wide | 9,200,000 | 10,030,509 | 109.03% | 98% - R10 030 509 (R5 mil. Moved from Underground Waste System. Bins procured to be used for the roll out of 240ℓ bins in townships) |
| Agriculture and Environmental Management | Waste Management | 1000 Litre Containers | 712093 | Tshwane wide | 1,000,000 | 0 | 0,00% | 0% spent – (Funds moved during the Adjustment Budget to Underground Waste System and subsequently to 240ℓ bins on 3 June 2009) |
| Agriculture and Environmental Management | Waste Management | Swivel Bins | 712094 | Tshwane wide | 3,000,000 | 2,999,624 | 99.99% | 99% - R2 999 324 spent |
| Agriculture and Environmental Management | All | Capital Funded from Operating | 712750 | | 3,063,000 | 3,062,814 | 99.99% | R2 975 667 spent (12 Cub Meter containers procured for Waste Management) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| City Planning | | | | | | | | |
| City Planning Development and Regional Services | City Planning | Akasia Offices: Combined One Stop Offices for 6 Sections | 711914 | Akasia, Karen park | 8,300,000 | 7,250,000 | 87.35% | Building complete, final finishing being done and working on the snag list.(87% spent) |
| City Planning Development and Regional Services | City Planning | Tsosoloso/Rekgabisa | 712533 | Various: NDPG | 7,000,000 | 0 | 0,00% | Funding withdrawn by NT |
| City Planning Development and Regional Services | All | Capital Funded from Operating (City Planning and Development) | 712751 | | 150,000 | 136,500 | 91,00% | 91% |
| City Planning Development and Regional Services | All | Capital Funded from Operating (Regions) | 712764 | | 620,000 | 608,000 | 98.06% | 98% |
| Community Safety | | | | | | | | |
| Community Safety | Fire and Rescue Services | Acquisition: Firefighting Vehicles | 710564 | Tshwane Wide | 10,000,000 | 852,200 | 8.52% | Not completed. Owing to time constrains special vehicle could not be delivered before end of June. |
| Community Safety | Fire and Rescue Services | Refurbishment of Firefighting Vehicles | 711454 | Tshwane Wide | 1,000,000 | 345,918 | 34.59% | Project completed. Command vehicle were resprayed.To be finalised in the 2009/10 financial year. |
| Community Safety | Metro Police | Purchasing of Cameras and other Speed Law Enforcement Equipment | 711524 | Tshwane Wide | 2,000,000 | 0 | 0,00% | Not Completed. Tender process not finalised |
| Community Safety | Disaster Management | Equipping of current Disaster Operations Centre | 711922 | Tshwane Wide | 2,500,000 | 1,913,353 | 76.53% | Project Completed for 2008/09. |
| Community Safety | Metro Police | Establishment of Metro Police Offices for Region 1 | 712022 | 9,11,12,14,19,20,21,22,24, 25,26,27,29,33,34,35,36 | 4,000,000 | 3,968,053 | 99.20% | Project Completed |
| Community Safety | Metro Police | The Establishment of Network Infrastructure (IT and CCTV) | 712345 | Tshwane Wide | 4,000,000 | 2,332,252 | 58.31% | Project Completed |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Community Safety | Metro Police | Development/Construction of Tshwane Overload Control Programme | 712347 | Tshwane Wide | 3,000,000 | 0 | 0,00% | Not complete. Deviation report not approved. |
| Community Safety | Metro Police | Upgrading Control Room/Ops Room CCTV Control Room (Phase 1) | 712348 | Tshwane Wide | 7,000,000 | 1,4893,33 | 21.28% | Not Complete. |
| Community Safety | Metro Police | Purchasing of Policing Equipment for the 2010 World Soccer Cup | 712500 | Tshwane Wide | 8,000,000 | 761,722 | 9.52% | Project completed. Equipment was procured and delivered in June: Horse Box, 2 Dog Trailers, 10 Generators, 2 tan flat bed trailer was |
| Community Safety | Disaster Management | Disaster Risk Management Tools and Equipment | 712587 | Tshwane Wide | 7,000,000 | 0 | NA | N/A |
| Community Safety | Disaster Management | Acquisition of Fully Equipped Mobile Joint Incident Coordination Unit | 712588 | Tshwane Wide | 4,500,000 | 90,998 | 2.02% | Not completed. Owing to time constrains special vehicle could not be delivered before end of June. |
| Community Safety | Metro Police | Upgrading of the Departmental One-Stop Client Centre at Licensing Centres | 712706 | 38 | 2,200,000 | 2,180,503 | 99.11% | Project Complete |
| Community Safety | Metro Police | Expansion of the PREMOS Training Facilities to accommodate the TMPS Academy | 712733 | 3 | 6,000,000 | 993,584 | 16.56% | Not Complete |
| Community Safety | All | Capital Funded from Operating | 712752 | Tshwane Wide | 381,650 | 174,082 | 45.61% | Project Complete |
| Corporate and Shared Services | | | | | | | | |
| Corporate and Shared Services | Information Management | Upgrade of It Infrastructure | 710200 | Tshwane Wide | 8,000,000 | 2,703,876 | 33.80% | Tender was approved at a very late stage during the financial year which hampered spending. |
| Corporate and Shared Services | Information Management | One Integrated Transaction Processing System | 710213 | Tshwane Wide | 54,000,000 | 47,977,913 | 88.85% | The tender for SAP support is applied continuously. The expenses are directly linked to the usage of the resources. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Corporate and Shared Services | Information Management | Computer Equipment Deployment (Printers) | 710268 | Tshwane Wide | 3,000,000 | 2,725,709 | 90.86% | This is a continuous project. At 30 June 2009 - 91% was spent on procurement of IT equipment. |
| Corporate and Shared Services | Information Management | Integration Telecommunication Equipment | 710341 | Tshwane Wide | 5,000,000 | 648,189 | 12.96% | The Voice and Data Tender has been awarded at a very late stage of the financial year which hampered spending. |
| Corporate and Shared Services | Information Management | Implementation of Storage Area Network | 710344 | Tshwane Wide | 10,000,000 | 403,692 | 4.04% | Tender CB75/2009 has been approved by the BEC. BAC and CM approval still outstanding |
| Corporate and Shared Services | Administrative Services | Vehicles | 710869 | Tshwane Wide | 5,000,000 | 4,596,655 | 91.93% | Status: Techo'ed and Closed |
| Corporate and Shared Services | Information Management | GIS | 712446 | Tshwane Wide | 1,000,000 | 523,841 | 52.38% | Tender CB444/2008 has been approved at a very late stage during the financial year which hampered spending. |
| Corporate and Shared Services | Administrative Services | Contact Centre: North | 712484 | | 10,000,000 | - | 0,00% | Did not start |
| Corporate and Shared Services | Information Management | E-Initiatives supporting the Smart City | 712554 | Tshwane Wide | 2,000,000 | - | 0,00% | SMS solution tender still in inception phase. |
| Corporate and Shared Services | Building Management | ASD Regional Offices | 712603 | 74,80,51,38,9,20,31 | 6,485,000 | 5,995,896 | 92.46% | Completed. |
| Corporate and Shared Services | Administrative Services | Ward Based Project: Corporate and Shared Services | 712669 | Tshwane Wide | 12,000,000 | 414,308 | 3.45% | Consultants appointed. Multi-year projects behind schedule. Low expenditure and shortage of funds as a result. Intervention required. |
| Corporate and Shared Services | Information Management | Video and Audio Conferencing Systems | 712738 | | 500,000 | - | 0,00% | Development of specifications in progress but could not be completed in time. |
| Corporate and Shared Services | Information Management | Enterprise Project Management | 712739 | | 2,100,000 | - | 0,00% | EPM solutions are being investigated here. Process is taking longer than anticipated due to the nature thereof. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Corporate and Shared Services | Information Management | Workflow and Business Process Management Tool | 712740 | | 500,000 | - | 0,00% | Specifications has been compiled to appoint a consultant using the SITA contracts which could not be done in time. |
| Corporate and Shared Services | Information Management | UPS and Generators for Critical ICT Systems | 712741 | Tshwane Wide | 500,000 | - | 0,00% | Draft tender has been compiled. Procurement process to follow. |
| Corporate and Shared Services | Information Management | Development of a Transaction based E-Commerce Portal for City of Tshwane | 712742 | Tshwane Wide | 1,600,000 | - | 0,00% | This project is included in the SAP portal and SAP roadmap project. |
| Corporate and Shared Services | Corporate Auxiliary and Administrative Services | Replacement/Modernization of all the Lifts within various Council Buildings | 712743 | Tshwane Wide | 5,000,000 | 4,789,344 | 95.79% | Phase 1 completed. |
| Corporate and Shared Services | All | Capital Funded from Operating | 712753 | Tshwane Wide | 988,597 | 365,219 | 36.94% | Completed for 2008/09. |
| Economic Development | | | | | | | | |
| Economic Development | Fresh Produce Market | Upgrading of Market Agent Barriers | 710274 | 3 | 250,000 | 245,167 | 98.07% | Completed. |
| Economic Development | Fresh Produce Market | Upgrading and Extension of Facilities | 710276 | 3 | 2,000,000 | 1,994,740 | 99.74% | Completed. |
| Economic Development | Fresh Produce Market | Upgrading of Existing Processing Facilities | 710277 | 3 | 1,000,000 | 999,874 | 99.99% | Completed. |
| Economic Development | Fresh Produce Market | Reparation to and Resurfacing of Roads | 710420 | 3 | 800,000 | 799,667 | 99.96% | Completed. |
| Economic Development | Fresh Produce Market | Upgrading of Cold rooms | 711561 | 3 | 500,000 | 499,801 | 99.96% | Completed. |
| Economic Development | Fresh Produce Market | Upgrading of Platforms | 711570 | 3 | 350,000 | 346,141 | 98.90% | Completed. |
| Economic Development | Fresh Produce Market | Relocation: Watermelon Sheds | 712029 | 3 | 15,500,000 | 15,462,584 | 99.76% | Completed. |
| Economic Development | Fresh Produce Market | Late Delivery Canopy | 712459 | 3 | 500,000 | 495,588 | 99.12% | Completed. |
| Economic Development | Fresh Produce Market | Upgrading and Extension of Office Blocks | 712585 | 3 | 5,800,000 | 4,729,744 | 81.55% | Completed. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Economic Development | Fresh Produce Market | Establishing of Tshwane Market in the North | 712615 | Wards 9, 12, 19, 20, 21, 22, 24, 25, 26, 27, 29, 33, 34, 35, 36, 37 and 39 within Soshanguve, Winterveld and Mabopane will form part of the investigation | 0 | 0 | NA | Financial viability study for the establishment of outlet(s) in the north completed. The draft report was received on 30 June 2009. |
| Economic Development | LED | Establish Inf. Trade Markets: Inner City, Mabopane | 710488 | 60 | 2,000,000 | 1,769,011 | 88.45% | Building of fence and pavement completed, as well as braai facility and storage. |
| Economic Development | LED | Marketing and Trading Stalls - Ga-Rankuwa | 712298 | 31 | 2,000,000 | 543,140 | 27.16% | Handing over the project in mid February 2009 resulted in the failure of appointment of service providers due to time constraints, in house contractors assisted only in the construction of the fence and ablution facility; the project will continue in the 2009/10 financial year. |
| Economic Development | LED | Baralak Building | 712531 | 3 | 3,000,000 | 2,662,313 | 88.74% | The eating and storage facilities were finalised, as well as the air conditioning. |
| Economic Development | Tourism | Mamelodi Rondavels | 710582 | 6 | 1,000,000 | 932,400 | 93.24% | The reception area and the upgrading of the landscape have been completed. |
| Economic Development | Tourism | Tourism Signage | 710579 | 1 to 76 | 3,000,000 | 2,996,157 | 99.87% | At 26 facilities, 110 signs were installed up to 30 June 2009. |
| Economic Development | Tourism | Hop on Hop off Bus | 710580 | 3, 57, 58, 59 and 60 | 5,600,000 | 3,040,665 | 54.30% | The tender was approved on 8 June 2009 and two buses were purchased and delivered on 26 June 2009; the new tourism brand will be used to brand them. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Economic Development | Tourism | Tourism Information Office | 710586 | 56 | 1,000,000 | 877,193 | 87.72% | The fence has been installed, four rooms have been restored (painted, ceiling repaired and painted, carpets removed and wooden floors polished and revamped, power cable skirtings and air conditioners installed). The roof has been repaired for leaks and painted, the outside walls were painted and 60% of the paving was done on the areas which will not interfere with the second phase of building car ports and ablution facilities. |
| Economic Development | Tourism | Arts and Craft Exhibition Stalls | 710587 | 32 | 3,050,000 | 2,274,799 | 74.58% | Plans completed, clearing of site done, quantity surveyors appointed. |
| Economic Development | All | Capital Funded from Operating | 712754 | 3 | 109,230 | 24,890 | 22.79% | As part of the implementation of the cash flow turnaround strategy, a memo was sent from the CFO's office on 24 March 2009, where it was communicated that no requisitions may be submitted to Supply Chain Management for processing of non capital items above R10 000,00. |
| | | | | | | | | Financial Services |
| Financial Services | Treasury | Insurance Replacements (CTMM Contribution) | 712449 | Tshwane Wide | 8,000,000,00 | 5,259,236,00 | 65.74% | Replacement of assets across Tshwane by the relevant departments. This is a multi-year project, the claims settled of which the procurement have not been finalised in the 2008/09 financial year will roll-over to the 2009/10 financial year subject to the availability of budget. The Actual Figure as with the closure of Period 12 is R5 183 449,00. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Financial Services | Treasury | Insurance Replacements (AFR) | 712450 | Tshwane Wide | 5,000,000,00 | 3,462,627,00 | 69.25% | Replacement of stolen and/or written-off fleet vehicles by the Corporate and Shared Services Department. The Corporate and Shared Services Department must issue new tenders for the replacements that were not finalised in the 2008/09 financial year subject to the availability of budget. The Actual Figure as with the closure of Period 12 is R3 112 292,00. |
| Financial Services | Treasury | Stanza Bopape Paypoint | 712599 | 16 | 700,000,00 | 775,513,00 | 110.79% | Owing to unforeseen soil conditions (water logged) the project could not be completed on 30th June 2009.It Is envisaged to be completed during September and will be ready to function on the 5th of October 2009 |
| Financial Services | Supply Chain | Buildings and Equipment | 712444 | Tshwane Wide | 1,800,000,00 | 1,286,136,00 | 71.45% | Overall Project for 2008/09 has been concluded. A substantial amount has not been spend due to 3 x Projects that were not finalised due to non performance from appointed contractors. Project for 712444 for 2008/09 can thus be closed. |
| Financial Services | Supply Chain | Conversion of Store to Office Block | 712732 | Tshwane Wide | 2,400,000,00 | | 0,00% | Owing to the organisations cash flow position it was considered more favourable to offer the funds as a saving as per cash flow strategy. The decision has no negative blow to operations and service delivery |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Financial Services | All | Capital Funded from Operating | 712755 | Tshwane Wide | 521,884,00 | 271,939,00 | 52.11% | The funds were budgeted to purchase office equipment at various cost centres as well as meter reading terminals<br>Not all items were procured, expenditure curbed due to cash flow position |
| Health and Social Development | | | | | | | | |
| Health and Social Development | Health Care | Replacement Pretorius Park Clinic | 710067 | | 0 | | N/A | |
| Health and Social Development | Health Care | New Doornpoort Clinic | 710075 | | 0 | | N/A | |
| Health and Social Development | Health Care | Extension of Stanza Bopape Clinic | 710201 | 17 | 10,000,000 | 130,799 | 1.31% | HM Prinsloo |
| Health and Social Development | Health Care | Extensions Lotus Gardens Clinic | 710203 | 7 | 9,500,000 | 148,914 | 1.57% | HM Prinsloo |
| Health and Social Development | Health Care | Atmospheric Pollution Monitoring Network (include Dispersion modelling and VOC and BTX and PM 1 Monitoring Network) | 711562 | | 0 | | N/A | No budget for 2008/09 |
| Health and Social Development | Health Care | Upgrade Workflow System for Health-Erp | 712028 | Tshwane wide | 8,000,000 | 7,496,499 | 93.71% | Year 1 of 3 year project<br>Hardware has been bought<br>Cabling inside clinics has been done |
| Health and Social Development | Health Care | Extension Olievenhoutbosch | 712057 | | 0 | 0 | NA | Planning phase. No budget for 2008/09 |
| Health and Social Development | Health Care | Extension Saulsville Clinic | 712074 | | 0 | 0 | NA | Planning phase. No budget for 2008/09 |
| Health and Social Development | Health Care | Extension Majaneng Clinic to a CHC (Kekanastad) | 712189 | | 0 | 0 | NA | Planning phase. No budget for 2008/09 |
| Health and Social Development | Health Care | Extension Danville Clinic | 712266 | | 0 | 0 | NA | Planning phase. No budget for 2008/09 |
| Health and Social Development | Health Care | Upgrading of Clinic Dispensaries | 712278 | 43 | 2,000,000 | 0 | 0,00% | Planning phase done. Administration phase done. Building phase in progress. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Health and Social Development | Health Care | New East Lynn Clinic | 712556 | | 0 | 0 | NA | Planning phase. No budget for 2008/09 |
| Health and Social Development | ICD | Community Empowerment Centres: Tunnels/Equip. | 710316 | 17 | 3,000,000 | 49,483 | 1.65% | Almost no budget spent because the project manager resigned |
| Health and Social Development | All | Capital Funded from Operating | 712756 | Tshwane wide | 698,826 | 206,950 | 29.61% | Non capital items partly ordered. Rest of funds given up as instructed by the cash flow turnaround strategy |
| | | | | | | | | Housing Services |
| Housing Services | Housing Services | Saulsville Hostel | 711712 | 63 | 20,951,100,00 | 20,877,200,00 | 99.65% | 129 under construction (internal and external funding) |
| Housing Services | Housing Services | Mamelodi Hostel | 711713 | 38,67 | 21,279,000,00 | 17,677,299,00 | 83.07% | Pre-construction progress has been made. 300 temporary residential units completed. Sewer and water 90% completed (internal and external funding). |
| Housing Services | Housing Services | Sewerage Low Cost Housing | 710785 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 14,851,080,00 | 13,017,323,00 | 87.65% | 3650 stands (internal funding) |
| Housing Services | Housing Services | Township Establishment Low Cost Housing | 710787 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 4,770,000,00 | 4,769,810,00 | 100,00% | 25 township establishment applications submitted (internal funding) |
| Housing Services | Housing Services | Roads and SW Low-ost Housing | 710788 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 53,000,000,00 | 52,356,407,00 | 98.79% | 4267 stands provided with roads and stormwater, equivalent to 26.67 km (internal funding) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Housing Services | Housing Services | Project linked housing-Housing Facility | 710860 | 1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,32,34,35,36,37,38,39,40,43,48,49,62,63,67,68,71,72,73,74,75 and 76 | 1,830,000,00 | 1,795,102,00 | 98.09% | 13 rental units completed by end Q2 (internal funding) |
| Housing Services | Housing Services | Township Establishment - Site Planning | 710861 | 1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,32,34,35,36,37,38,39,40,43,48,49,62,63,67,68,71,72,73,74,75 and 76 | 0,00 | 17,958,495,00 | 0,00% | No explanation submitted |
| Housing Services | Housing Services | Township Establishing Acquisition of Land | 710868 | 1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,32,34,35,36,37,38,39,40,43,48,49,62,63,67,68,71,72,73,74,75 and 76 | 3,321,920,00 | 2,314,546,00 | 69.67% | 3 portions of land acquired by way of expropriation (internal funding) |
| Housing Services | Housing Services | Water - Low Cost Housing | 710898 | 1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,32,34,35,36,37,38,39,40,43,48,49,62,63,67,68,71,72,73,74,75 and 76 | 18,000,000,00 | 17,028,047,00 | 94.60% | 3 276 water connections provided (internal funding) |
| Housing Services | Housing Services | Winterveld Land Management Plan | 711489 | 1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,32,34,35,36,37,38,39,40,43,48,49,62,63,67,68,71,72,73,74,75 and 76 | 11,000,000,00 | 10,854,700,00 | 98.68% | Roads and stormwater-2.6 km of road at 80% completion |
| Housing Services | Housing Services | Township development (Electricity) | 711719 | 1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,32,34,35,36,37,38,39,40,43,48,49,62,63,67,68,71,72,73,74,75 and 76 | 2,000,000,00 | 1,997,111,00 | 99.86% | Connected electricity to Olievenhoutbosch households (internal funding) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Housing Services | Housing Services | Schubart and Kruger Park | 712609 | 60 | 20,000,000,00 | 19,360,288,00 | 96.80% | Acquired temporary residential units to accommodate vulnerable households in preparation for the eviction of Schubart Park. Also undertook preliminary refurbishment of Kruger Park (internal funding) |
| Housing Services | Housing Services | Project linked housing-Housing Facility | 710860 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 6,000,000,00 | 1,553,097,00 | 25.88% | Expenditure was for professional fees in preparation of construction of an Multipurpose centre (MPCC) in Mamelodi (external funding) |
| Housing Services | Housing Services | Township Establishment Low Cost Housing | 710862 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 26,153,337,00 | 25,628,672,00 | 97.99% | 2 (Olievenhoutbosch, Thorntree View) (external funding) |
| Housing Services | Housing Services | Water - Low Cost Housing | 710863 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 23,892,779,00 | 23,469,308,00 | 98.23% | 3 276 (external funding) |
| Housing Services | Housing Services | Sewerage Low Cost Housing | 710864 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 26,838,485,00 | 26,802,353,00 | 99.87% | 3650 (external funding) |
| Housing Services | Housing Services | Roads and SW Low Cost Housing | 710865 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 49,508,534,00 | 49,192,601,00 | 99.36% | 26.67 km (external funding) |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Housing Services | Housing Services | Township Establishment Acquisition of land | 710868 | 1,2,3,4,5,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22 ,23,24,25,26,27,29,30,32,3 4,35,36,37,38,39,40,43,48, 49,62,63,67,68,71,72,73,74 ,75 and 76 | 0,00 | 17,958,495,00 | NA | No funding to the department. |
| Housing Services | Housing Services | Winterveld Land Management Plan | 711489 | 9,12,22,24 | 0,00 | 0,00 | NA | No committed funding |
| Public Works | | | | | | | | |
| Electricity | | | | | | | | |
| Public Works | Electricity | Upgrading/Strengthening of Existing Network Schemes | 710005 | All Areas | 6,500,000 | 3,806,528 | 58.56% | 99,8% Complete |
| Public Works | Electricity | Payments to Townships for Reticulated Towns | 710006 | All Areas | 6,000,000 | 2,998,811 | 49.98% | 100% Complete |
| Public Works | Electricity | New Hatherley/Mamelodi Substation and associated Power line to Mamelodi 2 | 710153 | 40 | 15,000,000 | 14,998,450 | 99.99% | 60% of Construction schedule |
| Public Works | Electricity | Sub Transmission Equipment Refurbishment | 710163 | TSHWANE WIDE | 8,000,000 | 7,999,644 | 100,00% | 100% Complete |
| Public Works | Electricity | 11kV Panel Extension in Substations | 710164 | Tshwane wide | 6,000,000 | 6,000,000 | 100,00% | 100% Complete, Ongoing |
| Public Works | Electricity | Pumulani Substation Stage Ii Extension (Stage 3 TRF and NER in 2009) | 710169 | 5 | 7,000,000 | 7,000,000 | 100,00% | 100% Complete |
| Public Works | Electricity | Claudius Substation Stage Ii Extension | 710172 | 61 | 8,000,000 | 6,099,710 | 76.25% | 100% Complete |
| Public Works | Electricity | Replacement of Obsolete and Dangerous Switchgear | 710176 | Tshwane wide | 8,000,000 | 8,999,982 | 112.50% | 100% Complete, ongoing |
| Public Works | Electricity | Low Voltage Network within Towns | 710177 | Tshwane wide | 9,000,000 | 12,000,000 | 133.33% | 100% Complete |
| Public Works | Electricity | Electricity for All | 710178 | Tshwane wide | 74,758,000 | 80,955,259 | 108.29% | 100% complete but ongoing |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Electricity | Geospatial Information Technology Implementation | 710180 | ALL | 4,000,000 | 1,411,131 | 35.28% | 100% complete |
| Public Works | Electricity | Communication Upgrade: Optical Fibre Net | 710325 | Tshwane Wide Region | 4,000,000 | 999,942 | 25,00% | Installation of 4,7 km fibre cable between Lynwood sub and Clydesdale sub, Procurement of Tetra system equipment. Ongoing Project |
| Public Works | Electricity | Strengthening of 11kv Cable Network | 710480 | Tshwane wide | 15,000,000 | 14,918,500 | 99.46% | 100% Complete |
| Public Works | Electricity | Strengthening of 11kv Overhead Network | 710481 | Tshwane wide | 12,300,000 | 12,280,295 | 99.84% | 100% Complete |
| Public Works | Electricity | Substations | 710484 | Tshwane wide | 1,800,000 | 1,720,895 | 95.61% | 95.61% complete |
| Public Works | Electricity | Tshwane Public Lighting Programme | 710556 | Tshwane wide | 19,200,000 | 21,239,251 | 110.62% | 100% Complete |
| Public Works | Electricity | Tshwane Public Lighting Programme | 710556 | Tshwane wide | 20,000,000 | 22,841,075 | 114.21% | 100% Complete |
| Public Works | Electricity | Wingate Substation Extension | 711511 | 46 | 10,000,000 | 9,996,855 | 99.97% | 100% of Construction schedule |
| Public Works | Electricity | Centurion CBD Capacity Upgrade (Kentron) (Further TRFs in CDB) | 711703 | 64 | 10,000,000 | 9,962,483 | 99.62% | 98% of Construction schedule |
| Public Works | Electricity | Network control system | 711706 | | 4,000,000 | 4,156,241 | 103.91% | |
| Public Works | Electricity | Prepaid Electricity | 711862 | All wards | 24,500,000 | 25,535,325 | 104.23% | 69.22% complete, this is an ongoing project to replace current conventional meters with the prepaid meters in each indigent applicant's and other applicants' houses. Status is ongoing. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Electricity | Replacement of Obsolete and Non Functional Protection Equipment | 712006 | City of Tshwane Wide | 3,000,000 | 4,779,582 | 159.32% | Please note that this is not an individual project. We were undertaking three project in the Fin Yr 2008/09 of which two were completed. We did Piet Geers and Rooihuiskraal Relays Retrofit and it is completed. We did Rosslyn-SAB relays retrofit and Rosslyn -Platina Relays Retrofit and it is completed. We are busy with Eldoraigne-De-Hoewes 132kV Protection Upgrade and it is about 91% completed, CB254/2007. |
| Public Works | Electricity | New Bulk Electricity Infrastructure | 712279 | 45 and 70 | 15,000,000 | 16,900,000 | 112.67% | 78% complete, ongoing multiyear projects |
| Public Works | Electricity | New Connections | 712483 | All electrical supply areas | 29,000,000 | 25,578,564 | 88.20% | 100% Complete, as and when customer pays |
| Public Works | Electricity | Energy Consumption Reduction Initiatives | 712491 | Citywide | 3,000,000 | 2,618,801 | 87.29% | 10% Complete |
| Public Works | Electricity | Electrification of Winter veldt | 712492 | 24, 9 | 66,000,000 | 72,865,035 | 110.40% | 99,7% Complete, ongoing |
| Public Works | Electricity | New Depot (Soshanguve) | 712493 | 26 | 36,000,000 | 27,922,595 | 77.56% | 93.08% Complete (Phase 1&2) and budgeted for three years |
| Public Works | Electricity | Ward Based Project: Electricity | 712608 | Tshwane wide | 9,475,000 | 9,471,601 | 99.96% | 100% Complete |
| Public Works | Electricity | Capital Funded from Operating | 712759 | N/A | 7,831,171 | 6,360,977 | 81.23% | 81.23% operation type of project and as when equipments are required |
| Roads and Stormwater | | | | | | | | |
| Public Works | Roads and Stormwater | Contributions: Services For Township Development | 710115 | Tshwane wide | 11,600,000 | 11,590,862 | 99.92% | This an ongoing project and payment is done as per developers applications |
| Public Works | Roads and Stormwater | Essential/Unforeseen Stormwater Drainage Problems | 710116 | Tshwane wide | 3,000,000 | 2,123,853 | 70.80% | This is an ongoing project that depends on the essential and unforeseen stormwater needs. 99% completed on 30 June 2009 |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Roads and Stormwater | Apies River: Canal Upgrading, Pretoria Central | 710117 | Tshwane wide | 650,000 | 540,282 | 83.12% | This is an ongoing project. |
| Public Works | Roads and Stormwater | S/W Box Culvert Under Railway Line, H/Skraal | 710127 | 74 | 9,500,000 | 7,944,345 | 83.62% | Completion approximately 70%. |
| Public Works | Roads and Stormwater | Concrete Canal: Sam Malema Road, Winterveld | 710128 | 9 | 4,000,000 | 3,999,965 | 100,00% | Phase one of this project completed. 100% completed on 30 June 2009. Phase two will follow in 2010 and 2011 financial year. |
| Public Works | Roads and Stormwater | Major Stormwater System, Mamelodi X 8 | 710129 | 17 | 400,000 | 196,561 | 49.14% | The Designs are 30% complete. |
| Public Works | Roads and Stormwater | Stormwater System In Eersterust X 2 | 710139 | 43 | 4,500,000 | 4,120,783 | 91.57% | Phase 2 100% Completed. |
| Public Works | Roads and Stormwater | Major Stormwater Systems: Klip-Kruisfontein | 710143 | 37. 39 | 500,000 | 499,304 | 99.86% | Busy with the EIA and the designs. |
| Public Works | Roads and Stormwater | Rehabilitation Of Stormwater Systems and Sidewalks | 710220 | Tshwane wide | 9,508,750 | 9,501,636 | 99.93% | This is an ongoing project that depends on the stormwater needs. 100% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Replacement Of Traffic Signs | 710221 | Tshwane wide | 2,000,000 | 1,998,347 | 99.92% | This is an ongoing project that depends on the traffic signs needs. 100% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Rehabilitation Of Bridges | 710223 | Tshwane wide | 1,000,000 | 964,678 | 96.47% | This is an ongoing project that depends on the bridge rehabilitation needs. 94% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Essential and Unforeseen Road Improvements | 710226 | Tshwane wide | 1,200,000 | 1,081,070 | 90.09% | Ongoing project. |
| Public Works | Roads and Stormwater | Parking Bays/Bays At Schools | 710227 | Tshwane wide | 800,000 | 798,798 | 99.85% | Ongoing project. |
| Public Works | Roads and Stormwater | Cycle And Pedestrian Paths For Tshwane | 710228 | Tshwane wide | 2,000,000 | 1,904,063 | 95.20% | Ongoing project. |
| Public Works | Roads and Stormwater | Traffic Calming And Pedestrian Safety For Tshwane | 710229 | Tshwane wide | 3,500,000 | 3,234,779 | 92.42% | Ongoing project. |
| Public Works | Roads and Stormwater | Establish Road Reserves for Main | 710257 | Tshwane wide | 150,000 | 68,500 | 45.67% | |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| | | Routes | | | | | | |
| Public Works | Roads and Stormwater | Upgrading Of Roads In Marabastad | 710259 | 3 | 2,000,000 | 1,942,144 | 97.11% | 100% Completed. |
| Public Works | Roads and Stormwater | Traffic Lights/Traffic Signal System | 710395 | Tshwane wide | 2,000,000 | 1,729,887 | 86.49% | This is an ongoing project that depends on the traffic light needs. 86% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Traffic Signals To Meet Legal Requirements | 710398 | Tshwane wide | 3,500,000 | 3,412,155 | 97.49% | This is an ongoing project that depends on the traffic light needs. 97% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Extension Of Atcon Traffic Control System | 710399 | Tshwane wide | 1,000,000 | 796,420 | 79.64% | This is an ongoing project that depends on the needs of traffic control. 86% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Implement Real Time Traffic Control Pilot Project | 710402 | Tshwane wide | 0 | 0 | NA | Various traffic control systems are available and a study is underway to determine the most effective system for Tshwane. No funds were allocated for this project during the 2009 financial year. |
| Public Works | Roads and Stormwater | Mateteng Main Transport Route, Stinkwater | 710597 | 14 | 3,200,000 | 2,630,439 | 82.20% | Relocation of residents is underway. |
| Public Works | Roads and Stormwater | Shova Kalula Bicycle Project | 710609 | 51, 62, 63 | 1,500,000 | 1,370,544 | 91.37% | The phase of the project was completed. |
| Public Works | Roads and Stormwater | Major Collector Road: Soshanguve Block DD/CC | 710901 | 26, 33 | 0 | 0 | NA | |
| Public Works | Roads and Stormwater | Rehabilitation Of Roads | 710902 | N East, N West, Rest of Tshwane | 26,322,000 | 26,321,984 | 100,00% | This is an ongoing project. |
| Public Works | Roads and Stormwater | Doubling of Church Street over the railway line | 710928 | 56 | 0 | 0 | NA | NA |
| Public Works | Roads and Stormwater | Real Rover Road To Serapeng Road | 710936 | 18. 4 | 50,000 | 48,998 | 98,00% | The phase of the project was completed. |
| Public Works | Roads and Stormwater | Access Road To Mamelodi X18 (K54) | 710937 | 10 | 50,000 | 49,890 | 99.78% | No progress as there are shacks in the road reserve. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Roads and Stormwater | Doubling Of Lynnwood Road | 710939 | 40, 44, 46 | 38,500,000 | 38,499,896 | 100,00% | 99% Completed. |
| Public Works | Roads and Stormwater | Block W - Stormwater Drainage | 711164 | 25 | 3,000,000 | 2,534,296 | 84.48% | Busy with designs of the next phase. |
| Public Works | Roads and Stormwater | Stormwater Drainage Mahube Valley | 711213 | 17 | 3,300,000 | 3,184,569 | 96.50% | 100% Completed. |
| Public Works | Roads and Stormwater | Magriet Monamodi Stormwater System | 711262 | 73 | 2,000,000 | 1,898,738 | 94.94% | The EIA consultant was appointed and also busy with designs. |
| Public Works | Roads and Stormwater | Major S/Water Drainage System: Cambridge Road | 711263 | 66 | 0 | 0 | NA | NA |
| Public Works | Roads and Stormwater | Major S/ Water Drainage System: Matenteng | 711264 | 14 | 8,000,000 | 7,511,154 | 93.89% | 80% Completed. |
| Public Works | Roads and Stormwater | Hartebeest Spruit: Canal Upgrading | 711265 | 42 | 100,000 | 24,902 | 24.90% | 0% Completed. |
| Public Works | Roads and Stormwater | Moreleta Spruit: Flood Structure | 711267 | 45. 47 | 6,300,000 | 6,237,530 | 99.01% | This stormwater retention structure contract is underway and according to the programme the project will be completed by the middle of the 2010 financial year. 100% of the planned work was completed by 30 June 2009. |
| Public Works | Roads and Stormwater | Montana Spruit: Channel Improvements | 711268 | 5 | 1,100,000 | 1,099,995 | 100,00% | Phase 1 - Busy with a BAR for Montana Spruit and Construction will be done the next year. Phase2 - Designs and EIA has been completed and Construction will be done this financial year. Phase 3 - BAR has been done but it will only be submitted to GDACE once Expropriation has been done. |
| Public Works | Roads and Stormwater | Stormwater Box Culvert: Meadow Ave | 711269 | 40 | 7,000,000 | 6,726,078 | 96.09% | 100% Completed. |
| Public Works | Roads and Stormwater | Stormwater Culvert Underneath N1 Freeway | 711270 | 64 | 0 | 0 | NA | |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Roads and Stormwater | Major S/Water Drainage System: Majaneng | 711273 | 76 | 8,450,000 | 6,723,853 | 79.57% | Construction progress was 60%. |
| Public Works | Roads and Stormwater | Major S/Water Canal Hennopspark | 711275 | 69 | 2,000,000 | 1,971,289 | 98.56% | |
| Public Works | Roads and Stormwater | Major S/Water Drainage Channels: Ga-Rankuwa | 711284 | 30, 31, 32 | 11,000,000 | 10,978,388 | 99.80% | This is an ongoing project phase 2 is 100% and phase 3 is about 2%.Preliminary Designs for phase 4 and 5 Completed. |
| Public Works | Roads and Stormwater | Stormwater Drainage Systems In Ga-Rankuwa View | 711285 | 30 | 5,650,000 | 5,436,824 | 96.23% | This is an ongoing project phase 2 is 100% and phase 3 is about 2%.Preliminary Designs for phase 4 and 5 Completed. |
| Public Works | Roads and Stormwater | Upgrading Of Road Network In Menlyn Node | 711301 | 46 | 0 | 0 | NA | Project not budget for in 2008/09 Financial year |
| Public Works | Roads and Stormwater | Olievenhoutbosch Activity Spine | 711325 | 64. 65 | 0 | 0 | NA | |
| Public Works | Roads and Stormwater | Doubling Of Simon Vermooten | 711800 | 40, 41, 43 | 2,000,000 | 1,999,415 | 99.97% | 0% Completed |
| Public Works | Roads and Stormwater | Internal Roads: Northern Areas | 711863 | 62, 6, 73, 34, 19, 29, 21, 13 | 41,950,500 | 40,518,229 | 96.59% | 100%. Preliminary Designs for Mabopane and Ga-Rankuwa will be submitted on 15 August 2009. |
| Public Works | Roads and Stormwater | Centurion Lake And Kaal Spruit | 712217 | 57, 65, 69 | 1,000 | 0 | 0,00% | No construction commenced, and waiting for BPMC resolution. |
| Public Works | Roads and Stormwater | Flooding Backlogs: Stinkwater and New Eersterust Area | 712219 | 8, 13, 14 | 200,000 | 200,000 | 100,00% | The designs for phase 1 Is complete and waiting for Approval and awaiting the Approval of the amendment of the ROD.The estimate completion date of Phase 1 will be June 2010. |
| Public Works | Roads and Stormwater | Flooding Backlogs: Soshanguve and Winterveld Area | 712220 | 9, 11, 12, 22, 24, 25, 26, 27, 29, 33, 34, 35, 36, 49 | 500,000 | 464,160 | 92.83% | Busy with the EIA and the designs. |
| Public Works | Roads and Stormwater | Flooding Backlogs: Mabopane Area | 712221 | 19, 20, 21, 22 | 6,500,000 | 6,329,249 | 97.37% | This is an ongoing project phase 1 is 100% and phase 2 is about 2%.Preliminary Designs for phase 3 and 4 Completed. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Roads and Stormwater | Flooding Backlogs: Mamelodi, Eersterust and Pta Eastern Area | 712223 | 6, 10, 15, 16, 17, 18, 23, 28, 38, 40, 41, 43, 44, 45, 46, 47, 52, 67 | 500,000 | 497,944 | 99.59% | Busy with the EIA amendment. |
| Public Works | Roads and Stormwater | Formalise And Align New Access to Odenburg Gardens | 712253 | 22 | 3,800,000 | 105,835 | 2.79% | the designs and schedule of quantities are complete, as and when contractors will be evaluated in July 2009 construction to start mid Aug 2009. |
| Public Works | Roads and Stormwater | Traffic flow and Safety on Corridors | 712501 | Tshwane wide | 2,500,000 | 999,861 | 39.99% | Ongoing project. |
| Public Works | Roads and Stormwater | Traffic Flow Improvement at Intersections | 712502 | Tshwane wide | 1,500,000 | 1,372,309 | 91.49% | This is an ongoing project that depends on the needs at intersections for upgrades. 95% of planned work completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 3, Kudube Unit 11 | 712503 | 75 | 0 | 0 | NA | The project started this financial year and Construction will be done during the next financial year, progress with Preliminary designs is 10%. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 2F, Kudube Unit 6 | 712504 | 75 | 0 | 0 | NA | The project started this financial year and Construction will be done during the next financial year, progress with Preliminary designs is 10%. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 5A, Matenteng | 712506 | 75 | 5,600,000 | 5,588,796 | 99.80% | 65% of the Stormwater is completed of Phase 2,The Construction of the project will be Completed in April 2010. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 2H, Kudube Unit 7 | 712507 | 8 | 150,000 | 149,979 | 99.99% | Designs and EIA have been completed and Construction will start during mid August this year, progress with the project is 60%. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 1B, Suurman | 712508 | 76 | 0 | 0 | NA | Project not budgeted in 2008/09. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 1D, Suurman | 712509 | 8 | 0 | 0 | NA | Project not budgeted in 2008/10. |
| Public Works | Roads and | Flooding backlog: | 712510 | 8 | 0 | 0 | NA | Project not budgeted in 2008/11. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| | Stormwater | Network 1E, Suurman | | | | | | |
| Public Works | Roads and Stormwater | Flooding backlog: Network C5, C6, C11 and C13, Atteridgeville | 712511 | 62 | 500,000 | 429,026 | 85.81% | 86% this project does not have budget 2009/10. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 5D, Mandela Village Unit 12 | 712512 | 73 | 200,000 | 200,000 | 100,00% | The design and contract document has been completed. Tenders for this contract closed on 6 Aug 2009. 100% of the work planned was completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Flooding Backlogs: Soshanguve South and Akasia Area | 712513 | 2, 4, Part of 20, 35, 36, 37, 39 | 2,050,000 | 2,027,727 | 98.91% | Busy with the EIA. |
| Public Works | Roads and Stormwater | Flooding Backlogs: Olievenhoutbosch and Centurion Area | 712514 | 7, 57, 48, 61, 64, 65, 66, 69, 70 | 0 | 0 | NA | 0% Completed. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 2B, Ramotse | 712515 | 73 | 300,000 | 299,490 | 99.83% | The design and contract document has been completed 90%. 100% of the work planned was completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 2D, New Eersterust x 2 | 712516 | 13 | 250,000 | 250,000 | 100,00% | Preliminary Design Report is completed, waiting for EIA approval. The estimate completion date will be July 2010. |
| Public Works | Roads and Stormwater | Flooding backlog: Drainage canals along Hans Strydom Dr, Mamelodi x 4 and 5 | 712518 | 15.16 | 728,464 | 599,957 | 82.36% | Busy with detailed designs, Gautrans has approved the alignment of the designs. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 1A, 1C and 1F, Ramotse | 712520 | 73 | 1,500,000 | 1,476,756 | 98.45% | The design and contract document has been completed. Tenders for this contract closed on 12 March 2009. The tender report has been completed. 98% of the work planned was completed on 30 June 2009. |
| Public Works | Roads and Stormwater | Collector Road Backlogs: Mamelodi | 712521 | 6, 10, 15, 16, 17, 18, 23, 28, 38, 67, Part of 40 | 1,000,000 | 1,000,000 | 100,00% | Detail design and drawings completed but not approved. Construction to be finished in February 2011. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Roads and Stormwater | Collector Road Backlogs: Atteridgeville | 712522 | Part of 7, 51, 62, 63, 68, 71, 72 | 650,000 | 574,136 | 88.33% | Detail design and drawings completed and approved. Construction to be finished in November 2010. |
| Public Works | Roads and Stormwater | Flooding backlog: Network 3A, Kudube Unit 9 | 712523 | 74 | 700,000 | 653,666 | 93.38% | Designs and EIA have been completed and Re-location of residents is in progress, Construction will start during the next financial year and progress is 40%. |
| Public Works | Roads and Stormwater | WaterKloof Air force base SW Canal | 712524 | 57. 59 | 33,000,000 | 23,741,136 | 71.94% | 94% complete and the Expected completion date is 31 August 2009. |
| Public Works | Roads and Stormwater | Loftus: Upgrading of Charles Street | 712537 | 56 | 31,383,004 | 30,220,282 | 96.30% | Construction at 65% complete. |
| Public Works | Roads and Stormwater | Hatfield: Upgrading of Pretorius Str. | 712538 | 56 | 14,383,143 | 4,820,480 | 33.51% | Construction at 60% complete. |
| Public Works | Roads and Stormwater | Hatfield: Upgrading of Schoeman Str. | 712539 | 56 | 19,239,239 | 6,852,396 | 35.62% | Construction at 40% complete. |
| Public Works | Roads and Stormwater | Hatfield: Upgrading of Duncan/Gordon | 712540 | 56 | 19,108,066 | 17,237,743 | 90.21% | Construction at 95% complete. |
| Public Works | Roads and Stormwater | Hatfield One Way System | 712541 | 56 | 22,691,440 | 19,006,141 | 83.76% | Construction at 95% complete. |
| Public Works | Roads and Stormwater | Upgrading of Maunde | 712544 | 3, 51, 62 | 5,000,000 | 2,301,241 | 46.02% | Tender report complete for contractor appointment. |
| Public Works | Roads and Stormwater | Giant Stadium: Buitekant Str. | 712545 | 33 | 4,000,000 | 3,016,362 | 75.41% | Tender document complete for construction advertising. |
| Public Works | Roads and Stormwater | Wonderboom Airport Access: Lindveldt Avenue | 712546 | 50 | 5,000,000 | 681,196 | 13.62% | Tender report complete for contractor appointment. |
| Public Works | Roads and Stormwater | K69 Between Waterkloof Air Force Base and R21 | 712547 | 59, 42, 46 | 17,600,000 | 2,388,082 | 13.57% | Project transferred to SANRAL for bridge interchange implementation. |
| Public Works | Roads and Stormwater | Catalytic Project: G9 Western Bypass | 712604 | 55, 7, 3 | 0 | 0 | NA | No budget for this project. |
| Public Works | Roads and Stormwater | Upgrading of Roads and Appurtenant Stormwater Systems in Soshanguve | 712605 | 11, 12, 25, 26, 27, 29, 33, 34, 35, 36 | 95,400,000 | 93,442,055 | 97.95% | The project is in construction stage and is 60% complete. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Roads and Stormwater | Upgrading of Lavender Road (Southern Part of K 97) | 712610 | 49, 50 | 4,300,000 | 2,066,896 | 48.07% | Project not budget for in 2009/10 Financial year and busy with expropriation negotiations. |
| Public Works | Roads and Stormwater | Upgrading of Mabopane Roads dealing with red soils | 712611 | 19, 20, 21 | 14,500,000 | 10,133,386 | 69.89% | This is an ongoing project phase 2 is 100% and phase 3 is about 2%.Preliminary Designs for phase 4 and 5 Completed. |
| Public Works | Roads and Stormwater | Upgrading of Sibande Street, Mamelodi | 712612 | 6, 23 | 1,000,000 | 999,999 | 100,00% | Detail design and drawings completed but not approved. Construction to be finished in June 2011. |
| Public Works | Roads and Stormwater | Counter funding for 2010 | 712613 | 3, 33, 42, 46, 51, 56, 59, 62 | 55,746,796 | 53,505,637 | 95.98% | Construction at 80% complete. |
| Public Works | Roads and Stormwater | Ward Based Project: Roads and Stormwater | 712616 | 8, 9, 12, 14, 19, 20, 21, 22, 24, 30, 31, 32, 40 (Nellmapius part), 43, 48, 73, 74, 75, 76 | 11,810,750 | 10,313,940 | 87.33% | This is an ongoing project, the scope for 2008/09 was completed. |
| Public Works | Roads and Stormwater | Upgrading of Roads and Appurtenant Stormwater Systems in Soshanguve (RG) | 712666 | 11, 12, 25, 26, 27, 29, 33, 34, 35, 36 | 0 | 0 | NA | |
| Public Works | Roads and Stormwater | Capital Funded from Operating | 712760 | Tshwane wide | 930,240 | 655,664 | 70.48% | |
| Transport | | | | | | | | |
| Public Works | Transport | Mabopane Station Modal Interchange | 710657 | 19 | 15,000,000 | 12,796,807 | 85.31% | 86% Complete. |
| Public Works | Transport | Pretoria CBD Public Transport Facilities | 710661 | 60 | 727,000 | 376,200 | 51.75% | 52% Complete. |
| Public Works | Transport | Provide Bus and Taxi Lay-By's | 710662 | Tshwane Wide | 872,400 | 871,079 | 99.85% | 100% Complete. |
| Public Works | Transport | Eerste Fabrieke Station North and South | 710664 | 38 | 0 | 0 | NA | NA |
| Public Works | Transport | Dairymall Taxi Rank provide Paving Shelters Lights | 710667 | 60 | 8,000,000 | 6,868,008 | 85.85% | 86% Complete. |
| Public Works | Transport | Marabastad Bus Facilities | 710670 | 60 | 1,463,200 | 501,106 | 34.25% | 41% Complete. |
| Public Works | Transport | Eastlynn Bus and Taxi Facilities | 710671 | 52 | 2,250,000 | 2,678 | 0.12% | 89% Complete. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Transport | Saulsville Station Pedestrian | 710743 | 68 | 727,000 | 394,145 | 54.22% | 54% Complete. |
| Public Works | Transport | Klipkruisfontein Multimodal Transfer Facility | 711754 | 37 | 1,500,000 | 1,491,086 | 99.41% | 99% Complete. |
| Public Works | Transport | Taxi Facilities, Hatfield, Brooklyn and Sunnyside | 712371 | 56,42 | 2,250,000 | 2,678 | 0.12% | 0% Complete. |
| Public Works | Transport | Menlyn PT Facility | 712376 | 42 | 0 | 0 | NA | 0% Complete. |
| Public Works | Transport | ElardusPark/Wingate Park Bus and Taxi Facilities | 712387 | 47 | 0 | 0 | NA | 0% Complete. |
| Public Works | Transport | Eersterust (Pretoria) Intermodal Facility | 712487 | 43 | 0 | 0 | NA | 0% Complete. |
| Public Works | Transport | Public Transport Facility (Loftus Versfeld Stadium 2010SWC) | 712589 | 56 | 15,000,000 | 13,127,139 | 87.51% | 12% Complete. |
| Public Works | Transport | Training Venues (2010SWC) | 712590 | 60, 62,33,67 | 9,000,000 | 7,476,961 | 83.08% | 17% Complete. |
| Public Works | Transport | CBD and Surrounding Areas (2010SWC) HOV/BRT Lanes on Corridors to North and Hatfield | 712591 | Tshwane Wide | 100,000,000 | 19,521,455 | 19.52% | 80% Complete. |
| Public Works | Transport | Electronic Ticketing System (Bus Service) | 712593 | Tshwane Wide | 2,908,000 | 0 | NA | 100% Complete. |
| Public Works | Transport | Ward Based Project: Transport | 712617 | 8,9,12,14,19,20,21,22,24,30,31,32,40,43,48,73,74,75,76 | 8,175,000 | 7,175,345 | 87.77% | 12% Complete. |
| Public Works | Transport | Development of Main Station Node as Regional Transport Hub | 712748 | 58 | 4,000,000 | 3,005,772 | 75.14% | 0% Complete. |
| Public Works | Transport | Capital Funded from Operating | 712761 | Tshwane wide | 20,000 | 0 | NA | |
| Wonderboom Airport | | | | | | | | |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Wonderboom Airport Specialised Business Unit | Separation Airside/Landside movements | 711953 | 50 | 6,500,000 | 6,500,000 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Replacement of weather system | 712562 | 50 | 10,000,000 | 0 | 0,00% | Tender advertised and assessed - funds transferred as per approved transfer report of May 2009 to another PWS&ID priority project - equipment is manufactured abroad - tender can only be finally adjudicated once funds are reallocated in the 2009/10 financial year. |
| Public Works | Wonderboom Airport Specialised Business Unit | Arrivals and departure halls | 712563 | 50 | 5,000,000 | 5,000,001 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Porte Courche for SMME development | 712564 | 50 | 1,500,000 | 1,500,000 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Drop off facility | 712565 | 50 | 350,000 | 350,000 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Aircraft parking facility in maintenance area | 712567 | 50 | 5,000,000 | 4,999,999 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Construction of holding bays | 712570 | 50 | 10,000,000 | 9,995,724 | 99.96% | 95% completed, forms part of the tender to construct aircraft parking aprons. |
| Public Works | Wonderboom Airport Specialised Business Unit | Electrical reticulation upgrade | 712571 | 50 | 500,000 | 500,000 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Water reticulation phase 2 | 712572 | 50 | 750,000 | 749,990 | 100,00% | Completed as per approved budget. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Wonderboom Airport Specialised Business Unit | Upgrade stormwater system phase 2 | 712573 | 50 | 1,000,000 | 999,590 | 99.96% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Upgrade sewerage network phase 2 | 712574 | 50 | 1,000,000 | 999,956 | 100,00% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Purchase new emergency vehicles | 712575 | 50 | 10,000,000 | 2,000,000 | 20,00% | One vehicle delivered. Balance of funds transferred as per approved transfer report of May 2009 to another PW&ID priority project. Second vehicle ordered but manufactured abroad - can only be delivered early 2010. |
| Public Works | Wonderboom Airport Specialised Business Unit | Purchase ground handling equipment | 712576 | 50 | 5,000,000 | 4,996,680 | 99.93% | Completed as per approved budget. |
| Public Works | Wonderboom Airport Specialised Business Unit | Construct new aircraft parking aprons | 712577 | 50 | 100,900,000 | 89,257,885 | 88.46% | 73% completed - R11 m budgeted in 2009/10 to fully complete project. |
| Public Works | Wonderboom Airport Specialised Business Unit | Construct public transport and parking facility | 712579 | 50 | 3,000,000 | 2,998,857 | 99.96% | Completed as per approved budget. |
| Water and Sanitation | | | | | | | | |
| Public Works | Water and Sanitation | Upgrading of Sewers in Mamelodi | 710007 | 6,15,18,23,28,38,40,67 | 10,500,000 | 19,939,758 | 189.90% | Project Completed<br>Construction Completed 100% scope of work Covered. |
| Public Works | Water and Sanitation | Upgrading of Sewers in Tshwane Area | 710010 | 51,62,63,68,71,72 | 5,500,000 | 740,059 | 13.46% | Project is ongoing; Tendering was moved to 2008/09 moved to 2009/10 financial year.<br>Total Project Scope = 47%. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Water and Sanitation | Township Water Services Dev: Tshwane Contributions | 710022 | Tshwane Wide 1 to 76 | 5,000,000 | 5,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 97% completed. |
| Public Works | Water and Sanitation | Lengthening of Network and Supply Pipelines | 710023 | 7,36,42,47,56,59,66 | 4,000,000 | 4,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 97% completed. |
| Public Works | Water and Sanitation | Upgrading of Networks where Difficulties Exist | 710024 | 1,2,3,4,41,42,44,45,46,50,52,53,57,58,59,60,61,65,66,70 | 2,000,000 | 2,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. |
| Public Works | Water and Sanitation | Water Supply to Agricultural Holdings | 710025 | 4,7,48,49,50,55,70 | 2,000,000 | 4,000,000 | 200,00% | Project is ongoing, all work planned for 2008/09 financial year is 77% completed. |
| Public Works | Water and Sanitation | Replacement of Worn Out Network Pipes | 710026 | 1,2,3,4,41,42,44,45,46,50,52,53,57,58,59,60,61,65,66,70 | 25,000,000 | 32,500,000 | 130,00% | Project is ongoing, all work planned for 2008/09 financial year is 84% completed. |
| Public Works | Water and Sanitation | Network Upgrading in Hatfield | 710031 | 56,58 | 4,000,000 | 4,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. Targets were met in February 2009. |
| Public Works | Water and Sanitation | Cathodic Survey of Main Pipelines | 710039 | 3,38,40,43,60,65,67 | 600,000 | 643,000 | 107.17% | Project Completed. Construction Completed 100% scope of work Covered. |
| Public Works | Water and Sanitation | Installation: Bulk Meters and Loggers at Reservoirs | 710054 | 41,57,59,65,67,70 | 0 | 500,000 | | Project Completed. Construction Completed 100% scope of work Covered. |
| Public Works | Water and Sanitation | Soshanguve Bulk Pipeline Replacement | 710308 | 19,20,26,29,33,35 | 8,500,000 | 18,210,396 | 214.24% | Project ongoing. Construction Completed 84% scope of work Covered. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Water and Sanitation | Extension: Sunderland Ridge Waste W/Treat. Plant | 710364 | 47,48,61,56,66,69,70 | 11,000,000 | 879,907 | 8,00% | Project is ongoing, it was split to phases, the first Phase is complete Second phase is going on Tender Preconstruction Phase= 55% Tendering to commerce 2009/10 Financial Year. |
| Public Works | Water and Sanitation | Upgrading Water Networks: Greater Temba | 710390 | 8,76 | 30,500,000 | 9,370,995 | 30.72% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed Total Scope of work= 56%. |
| Public Works | Water and Sanitation | Mabopane/W/Veldt Water Networks Refurbishment | 710391 | 20,21 | 8,500,000 | 10,287,465 | 121.03% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 74%. |
| Public Works | Water and Sanitation | Ga-Rankuwa Water Networks Refurbishment | 710392 | 32 | 8,500,000 | 11,155,996 | 131.25% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 77%. |
| Public Works | Water and Sanitation | Kopanong: Bulk Water/Sewer | 710393 | 20 | 2,576,800 | 2,576,798 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Replacement, Upgrade, Construct WWTW Facilities | 710411 | Tshwane Wide,3,5,6,22,26,37,49,70, 74,75 | 6,800,000 | 13,759,000 | 202.34% | Project is ongoing, all work planned for 2008/09 financial year is 200% completed. More work was done that actually planned. |
| Public Works | Water and Sanitation | Telemetry of Reservoirs | 710555 | 4,6,37,26,27,33,34,35,36,4 3,61,64,67,43 | 500,000 | 500,000 | 100,00% | Project is complete, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 100% |
| Public Works | Water and Sanitation | Mandela Village Sewer Network | 710753 | 73 | 17,100,000 | 29,300,000 | 171.35% | Project is ongoing, all work planned for 2008/09 financial year is 92% completed Total Scope of work= 43%. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Water and Sanitation | Refurbishing of Water Networks and Backlog Eradication | 710878 | 73,75,74,76,8,14,13,25,24, 9,12,11,26,27,21,22,20,33, 34,35,36,37,39,4,64 | 252,550,000 | 154,712,681 | 61.26% | Project is ongoing,<br>Total Scope of work= 25%. |
| Public Works | Water and Sanitation | Mamelodi R5 Link to Garsfontein | 711328 | 10,17,40 | 10,070,000 | 11,911,000 | 118.28% | Project is complete, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Pipe Reinforcement Klipgat/Mabopane/Winterveld | 711331 | 9,12,24 | 11,650,000 | 9,800,000 | 84.12% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 68%. |
| Public Works | Water and Sanitation | K/Kruisfontein Phase 3 Bulk Water Supply Resev. | 711332 | 37,39 | 41,000,000 | 25,000,000 | 60.98% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 79%. |
| Public Works | Water and Sanitation | Replacement and Upgrading: Redundant Bulk Pipeline Infrastructure | 711335 | 1,40,41,43,52,53,54,56,58 | 73,150,000 | 69,012,935 | 94.34% | Project is ongoing, all work planned for 2008/09 financial year is 93% completed<br>Total Scope of work= 70%. |
| Public Works | Water and Sanitation | Extension Klapperkop Main Outflow | 711338 | 59,58,56 | 3,000,000 | 5,900,000 | 196.67% | Project is complete, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Klapperkop Muckleneuk Pipe Link | 711339 | 1,58,60 | 1,000,000 | 1,912,000 | 191.20% | Project is complete, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Klapperkop Heights Pipe Reinforcement | 711340 | 57,59 | 5,000,000 | 7,000,000 | 140,00% | Project is complete, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Interconnection: Laudium/Erasmia Feeder P/Lines | 711342 | 61 | 9,000,000 | 13,250,000 | 147.22% | Project is ongoing, all work planned for 2008/09 financial year is100% completed.<br>Total Scope of work= 35%. |
| Public Works | Water and Sanitation | Monument Park Reservoir, Pipes Ext | 711343 | 59 | 3,500,000 | 1,500,000 | 42.86% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed.<br>Total Scope of work= 40%. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Water and Sanitation | Valhalla Reservoir, Pipes Ext | 711344 | 66 | 11,500,000 | 9,750,000 | 84.78% | Project is ongoing, all work planned for 2008/09 financial year is 92% completed. Total Scope of work= 60%. |
| Public Works | Water and Sanitation | Garsfontein Pipe Reinforcement | 711345 | 5,6,28,38,40,41,42,43,44,45,46,47,52,53,54,56,67 | 16,600,000 | 8,600,000 | 51.81% | Project is ongoing, all work planned for 2008/09 financial year is 98% completed. Total Scope of work= 50%. |
| Public Works | Water and Sanitation | Replacement of Sewers | 711404 | 48,57,61,64,65,66,69,70 | 6,000,000 | 6,000,010 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed. |
| Public Works | Water and Sanitation | Water Connections: Soshanguve New Pipes | 711410 | 11,19,20,21,26,27,33,34,35,36,37,39 | 2,500,000 | 2,500,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 78% completed. |
| Public Works | Water and Sanitation | Water Networks: Ramotse/Marokolong | 711533 | 73 | 27,000,000 | 50,220,523 | 186,00% | Project is ongoing, all work planned for 2008/09 financial year is100% completed. Total Scope of work= 64%. |
| Public Works | Water and Sanitation | Reduction Water Losses: Water Networks | 711542 | Tshwane Wide 1 to 76 | 2,000,000 | 2,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. |
| Public Works | Water and Sanitation | Sewer Networks Soshanguve block TT and TT Extension | 711756 | 39 | 1,000,000 | 1,240,000 | 124,00% | Project is complete, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Relocation: Water Meters and Network Refurbishment Mabopane/Ga-Rankuwa | 711895 | 31 | 2,000,000 | 1,171,833 | 58.59% | Project is ongoing, all work planned for 2008/09 financial year is100% completed. Total Scope of work= 77%. |
| Public Works | Water and Sanitation | Moreletaspruit: Outfall Sewer | 712121 | 41,42,43,44,45,46,47,52 | 45,000,000 | 52,084,136 | 115.74% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed. Total Scope of work= 45%. |
| Public Works | Water and Sanitation | Extension of Zeekoegat WWTW | 712125 | 5,43,52,41,40,42,56,44,57,46,45,47 | 4,500,000 | 8,990,457 | 199.79% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 25%. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Water and Sanitation | Extension of Temba WWTW | 712126 | 74,49,73,75,76,8 | 9,000,000 | 4,999,981 | 55.56% | Project is ongoing, all work planned for 2008/09 financial year is 84% completed. Total Scope of work= 40%. |
| Public Works | Water and Sanitation | Extension of Rooiwal WWTW | 712128 | 49,5,50,53,56,52,50,54,1,60,58,59,66,61,7,72,71,68, 62,51,63,7,55,2,4 | 4,300,000 | 7,976,755 | 185.51% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed. Total Scope of work=20%. |
| Public Works | Water and Sanitation | Sekampaneng Reservoir | 712129 | 8,74 | 8,400,000 | 1,954,421 | 23.27% | Project is ongoing, all work planned for 2008/09 financial year is 66% completed. Total Scope of work= 73%. |
| Public Works | Water and Sanitation | Bulk - Individual Res - Clifton/Dommesse | 712133 | 69 | 2,000,000 | 3,999,466 | 199.97% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed. Total Scope of work= 55%. |
| Public Works | Water and Sanitation | Bulk - Individual Res - Heuweloord | 712135 | 48,70 | 12,100,000 | 15,946,312 | 131.79% | Project is complete, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 100%. |
| Public Works | Water and Sanitation | Bulk - Individual Res - Waterkloof Ridge X2 | 712141 | 42,59 | 200,000 | 199,999 | 100,00% | Project is complete, all work planned for 2008/09 financial year is 100% completed. Total Scope of work= 90%. |
| Public Works | Water and Sanitation | Bulk + Reservoir - Babelegi | 712142 | 73 | 1,720,000 | 1,699,397 | 98.80% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed. Total Scope of work= 50%. |
| Public Works | Water and Sanitation | Upgrading of Pump Stations | 712147 | 42,45,47,65,69 | 4,000,000 | 6,000,000 | 150,00% | Project is ongoing, all work planned for 2008/09 financial year is 99% completed. Total Scope of work= 25%. |
| Public Works | Water and Sanitation | Pierre Van Ryneveld Reservoir/Pipes | 712150 | 47 | 2,000,000 | 704,998 | 35.25% | Project is ongoing, all work planned for 2008/09 financial year is 60% completed. Total Scope of work= 20%. |
| Public Works | Water and Sanitation | Hennops River Waste Water Treatment Works | 712525 | 48,7 | 0 | 0 | NA | Project Starts 2011/12 Financial Year. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Public Works | Water and Sanitation | Extensions of Baviaanspoort Waste Water Treatment Works | 712526 | 10,17,16,18,15,23,28,6,76, 38,40 | 1,000,000 | 1,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed.<br>Total Scope of work= 3%. |
| Public Works | Water and Sanitation | Network Upgrading in the Centurion Area | 712527 | 64,65,69,70,57,66,61,48 | 3,000,000 | 3,000,000 | 100,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. |
| Public Works | Water and Sanitation | Network Upgrading in the Moot Area | 712528 | 53,54,52,1,58,55 | 2,000,000 | 1,999,842 | 99.99% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. |
| Public Works | Water and Sanitation | Reservoir Extensions | 712534 | 2 | 4,800,000 | 2,099,237 | 43.73% | Project is ongoing, all work planned for 2008/09 financial year is 67% completed.<br>Total Scope of work= 40%. |
| Public Works | Water and Sanitation | ODI Bulk Infrastructure | 712535 | 19,21,26,27,29,34 | 0 | 0 | NA | |
| Public Works | Water and Sanitation | Network Upgrade in the Rosslyn Area | 712594 | 4 | 2,000,000 | 0 | 0,00% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. |
| Public Works | Water and Sanitation | Network Upgrade in the CBD and Pta West | 712596 | 59,58,60,3,55,1,7,51,62,63, 68,71 | 3,000,000 | 2,999,605 | 99.99% | Project is ongoing, all work planned for 2008/09 financial year is 100% completed. |
| Public Works | Water and Sanitation | Ward Based Project: Water and Sanitation | 712618 | 8,9,12,14,19,20,21,22,24,3 0,31,32,40 (Nellmapius Part),43,48,73,74,75,76 | 9,475,000 | 5,877,052 | 62.03% | Project is ongoing, all work planned for 2008/09 financial year is 71% completed. |
| Public Works | Water and Sanitation | Capital Funded from Operating | 712762 | Tshwane Wide | 899,900 | 24,580 | 2.73% | Project is ongoing, all work planned for 2008/09 financial year is 3% completed. |
| Sport, Recreation, Arts and Culture | | | | | | | | |
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | Upgrading Temba Community Library | 710103 | 75 | 2,000,000 | 1,774,545 | 88.73% | Contractor appointed in 2008/09 - multi-year contract into 2009/10. Completion March 2010. |

| Strategic Unit | Division | Project description | Project Number | Wards | Budget 2008/09 | Expenditure 2008/09 | % Expenditure 2008/09 | Project Completion status as at 30 June 2009 |
|---|---|---|---|---|---|---|---|---|
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | Upgrading of the Soshanguve Giant Stadium | 710690 | Tshwane wide | 138,653,000 | 126,294,993 | 91.09% | Project phase completed successfully. New multi-year contracts appointed to continue into 2009/10. |
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | Completion of Temba Stadium | 710691 | 75 | 8,500,000 | 6,503,187 | 76.51% | Project phase completed successfully. New multi-year contract appointed to continue into 2009/10. |
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | Atteridgeville Super Stadium | 710713 | Tshwane wide | 29,000,000 | 28,710,540 | 99,00% | Project completed successfully in time for Confederations Cup. |
| Sport, Recreation, Arts and Culture | Policies and Systems | Atteridgeville Super Stadium | 710713 | Tshwane wide | 14,000,000 | 13,932,759 | 99.52% | |
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | H/kraal Multip. Sport and Rec Centre | 711433 | 73 | 2,000,000 | 1,969,690 | 98.48% | Project phase completed successfully. |
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | Suurman Multipurpose Community Hall | 712440 | 8 | 1,200,000 | 963,449 | 80.29% | Contractor appointed in 2008/09 - multi-year contract into 2009/10. Completion March 2010. |
| Sport and Recreation | Sport, Rec, Library, Arts and Culture | Mabopane Golf Project | 712606 | 22 | 3,000,000 | 2,785,163 | 92.84% | Project completed successful. |
| Sport, Recreation, Arts and Culture | Policies and Systems | Upgrading of HM Pitje Stadium | 710692 | 18 | 8,000,000 | 7,675,200 | 95.94% | |

# 5.8 ACHIEVEMENTS ON THE MUNICIPAL SCORECARD AS PER THE SDBIP – 2008/09

## 1 PROVIDE QUALITY BASIC SERVICES AND INFRASTRUCTURE

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 1.1 Provide quality electricity services and infrastructure | 1.1.1 Provide households in proclaimed areas Tshwane with basic or higher levels of electricity | 1.1.1.1 Number of completed and occupied houses electrified to eradicate backlogs (EFA) | PWID<br><br>Energy and Electricity | 60,000 | 06/07 achievement 24,241<br><br>07/08 Target 19,200 as per the IDP<br><br>07/08 achievement 16,402 | 10,024 As per transfer report 20/05/09 | 7,942<br><br>This equals to 40,5% top structures delivered in the 2008/09 financial year and 79% of the Annual target | 48,585 | 1193 connections at Nellmapius X8 not finalised due to delays on the beneficiary allocations<br><br>Eskom was expected to connect additional 651 stands at Itsoseng.<br>5,678 electrified this year were houses that were built in the previous financial year.<br><br>1,602 shacks were electrified<br><br>662 top structures of the 1,633 delivered by housing were electrified this year | The balance of the top structures delivered by housing will be electrified in the 2009/10 financial year. |
| | | 1.1.1.2 Number of completed and occupied houses electrified to cater for growth (that is the department provided bulk infrastructure for private developments (Connections) | PWID<br><br>Energy and Electricity | 100% of applications | 06/07: 3839<br><br>0708 target: 2,100 as per the IDP<br><br>07/08 achievement: 6375<br><br>90% of all applications achieved | 560 | 552 | 10,766 | Application based process and depends on the number of customers paid for connections | This target is based on estimates, and the achievement was within 98,6% of the target. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 1.1 Provide quality Electricity services and infrastructure | 1.1.3 Support Economic growth by providing businesses and industries with electricity | 1.1.3.1 Number of new business/commerce and industrial connections provided as a proportion of total nr of new businesses registered in the City of Tshwane (Connection) | PWID<br><br>Energy and Electricity | 100% of all Applications | 07/08 target: 100% of all applications<br><br>07/08 achievement 90% | 100% of all applications | 93%<br><br>141 out of 152 that have paid have been energized | Cannot be calculated as yet, as actual number of applications is required for years.<br><br>However on average we have achieved 94% | It was not feasible to send work to depots at the end of the financial year as they would have not finished in time. | The balance will be done in the new financial year. |
| | 1.1.6 Provide public lighting (that is street and high mast lights) | 1.1.6.1 Number of new street lights and high masts provided (Public Lighting) | PWID<br><br>Energy and Electricity | Street lights= 1,000 | 07/08 target: 750 street lights<br><br>07/08 achievement 1,655 | 1,960 | 3,088 | 4,743 | Target exceeded | NA |
| | | | PWID<br><br>Energy and Electricity | High masts= 75 | 07/08 target: 6 high masts<br><br>07/08 achievement 3 | 12 | 8 | 11 since 1 July 2007 | High mast light tender not approved. | This project will be considered in 2009/10 financial year. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.1.7 Maintain electricity infrastructure | 1.1.7.1<br>Electricity repairs and maintenance to TOI (total operating income for electricity) (Support) | PWID<br><br>Energy and Electricity | A minimum of 14% per annum | 06/07 achievement<br>7%<br>R197,332,000<br><br>07/08 target<br>11% as per the IDP<br><br>07/08 achievement<br>7%<br>R 251,213,117 | 7,1%<br>The target has increased by 0,1% as per the funds transfer report 20/05/09 | 9% | Average of 7,6% across the three years.<br><br>Cumulative N/A | Exceeded the annual target due to high maintenance costs on network.[61] | Monitor expenditure on repairs and maintenance, and obtain decisions on priorities should costs continue to increase. |
| | | 1.1.7.2<br>% of unaccounted for electricity (Energy Business) | PWID<br><br>Energy and Electricity | 7,5% | 07/08 target<br>9% as per the IDP<br><br>07/08 achievement<br>9,5% | 9,5% | 9,7% | Not a cumulative measure. | Illegal connections and cable theft. | Metering all public lighting. Reduce illegal connection by implementing temporary electrification. |
| 1.2 Provide quality Water services and infrastructure | 1.2.1 Provide basic or higher levels of water infrastructure in proclaimed areas | 1.2.1.1<br>Number of households with a below basic level of service provided with at least a basic or higher level of water service to eradicate backlogs. | PWID<br>Water and Sanitation | 26,466 (2010/11) | 06/07 achievement<br>942<br><br>07/08 target<br>7535 as per the IDP.<br><br>07/08 achievement<br>11,168 | 44,304<br>The target was increased by 9,003 by 04/02/09 and 16,011 through a fund transfer of 20/05/09 | 6,794<br><br>35% of target | 18,904 | Owing to budget constraints and other technical delays the project programmes and plans were amended. | Households will be connected in the next financial years dependent on budget availability. |

[61] A strategic matter that needs to be resolved. Maintenance is a critical issue, but we are consistently overspending due to high maintenance costs. The maintenance plan vs. financial plan needs to be re-assessed in new financial year.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.2.1.3<br>Number of households provided with connections to cater for growth | PWID<br>Water and Sanitation | An estimated figure of 5,000 is budgeted for according to figures from previous years[62], | 06/07 achievement<br>5,480<br><br>07/08 target<br>No target on IDP or SDBIP<br><br>07/08 achievement<br>5,488 | 5,000 connections | 2,663 connections | 13,991 | Number of connections is dependent on customer applications. | The planned figures are estimates according to information from previous years and the actual data is dependent on customer applications. All water connections must however be installed within 14 days from the application is received. |
| | | 1.2.1.4<br>Ml reservoir capacity increased to support growing demand. | PWID<br>Water and Sanitation | 2006/07: 30Ml<br>2007/08: 0Ml<br>2008/09: 18Ml<br>2009/10: 51Ml<br>2010/11: 65Ml<br>2011/12: 50Ml<br>2012/13: 90Ml | 06/07 achievement<br>1, 651 Ml<br><br>07/08 target<br>0 ML new capacity<br><br>07/08 achievement<br>OML new and 1, 615 Ml existing capacity | 8 Ml<br>The target was reduced by 10 Ml on 04/02/09 through fund transfers. | 0ML | 1,615 ML | Owing to technical and other delays the new bulk pipes were installed but the scope of work increased and will only be installed in 2009/10 financial year.<br><br>Refer to 2009/10 SDBIP. | Project will be implemented in the 2009/10 financial year. |

[62] Cannot differentiate between the various connection types i.e. households, business, other residential etc

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.2.1.5 Length of bulk water pipelines installed (m) to support growing demand | PWID Water and Sanitation | 2007/08: 17860<br>2008/09: 9970<br>2009/10: 1550<br>2010/11: 700<br>2011/12: 1600<br>2012/13: 0 | 06/07 achievement<br>2,500 m<br><br>07/08 target<br>35,990 m as per the IDP<br><br>07/08 achievement<br>9,135 m | 2130 m<br>The target was reduced<br>By 4390 m in 04/02/09 and by 3450 m through a fund transfer dated 20/05/09 | 6,488 m | 18,123 m | N/A | NA |
| 1.2 Provide quality Water services and infrastructure | 1.2.1 Provide basic or higher levels of water infrastructure in proclaimed areas | 1.2.1.6 Length of internal water network pipelines installed (m) | PWID Water and Sanitation | 2007/08: 16500<br>2008/09: 52900<br>2009/10: 34200<br>2010/11: 7500<br>2011/12: 9780<br>2012/13: 11000 | 06/07 achievement<br>5,762 m<br><br>07/08 target<br>143,120 m as per the IDP<br><br>07/08 achievement<br>30,024 m | 59900 m<br><br>This target was increased by 7 km on 04/02/09 through a funds transfer approval by MAYCO. | 122,278 | 158,064 m | Target exceeded with 81,578 m. | NA |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.2.2 Provide basic or higher levels of water infrastructure to formalise informal settlements | 1.2.2.1<br>Number of stands provided with water connections | Housing and Sustainable Settlements | Maintain or improve baseline | 06/07 achievement<br>19,256<br><br>07/08 target<br>12,000 as per the IDP<br><br>07/08 achievement<br>12,000 | 3,204 | 3,276 | 34,532 | Annual target exceeded. | NA |
| | 1.2.4 Maintain quality water supply | 1.2.4.1<br>Water repairs and maintenance to TOI (**total** operating income for water) | PWID<br>Water and Sanitation | A minimum of 14% per annum | 06/07 achievement<br>13,21%<br><br>07/08 target<br>10,42% as per the SDBIP<br><br>07/08 achievement<br>11,31% | 10,1% | 11,86% | Cumulative not applicable for this indicator<br><br>However an average of 12.12 has been realised over the 3 yrs. | Targets and actual are according to the SAP reports for the period 1 to 12 months (cumulative) | The decrease in funding on the adjusted budget needs to be re-looked into as it reflects the entire target. |
| | | 1.2.4.2<br>R spent on water infrastructure upgrade and replace (capital) | PWID<br>Water and Sanitation | | 06/07 achievement<br>R109, 822, 000<br><br>07/08 target<br><br><br>07/08 achievement<br>R246, 984, 206 | R 321,959,366 | R344,689,979 | R 701,496,185 | Escalation on Construction costs contributed in the exceeding of the budgeted amount. | The budget should be increased along with the current construction rates. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.2.4.3<br>R spent on water operational maintenance (Opex) | PWID<br>Water and Sanitation | | 06/07 achievement<br>R151, 376, 368<br><br>07/08 target<br>No target on IDP level for 07/08 yr<br><br>07/08 achievement<br>R151, 396, 815 | R170,753,540 | R167,731,431 | R 470,504,614 | Targets and actual are according to the SAP reports for the period 1 to 12. This is dependent on the final statements. | As part of the Water Loss Strategy the W&S division appointed consultants to manage data, reduce water loss and to ensure accurate reporting. |
| | | 1.2.4.4<br>% of unaccounted for water | PWID<br>Water and Sanitation | Reduction of 1% per year | 06/07 achievement<br>27,8%<br><br>07/08 target<br>27% as per the IDP<br><br>07/08 achievement<br>27,9% | 26,9% | 28,6% | Cumulative NA.<br><br>There has been an average of 28,1% unaccounted for water over the past three years and we have been unable to decrease the unaccounted for water since 2006. | Unaccounted for water is calculated retrospectively with a lag of approximately 1-3 months. This figure may change by end December 2009. | As part of the Water Loss Strategy the W&S Division appointed Consultants to manage data, reduce water loss and to ensure accurate reporting. |
| | | 1.2.4.5<br>m Bulk water pipelines upgraded (capital) | PWID<br>Water and Sanitation | 2007/08: 25593<br>2008/09: 23948<br>2009/10: 2442<br>2010/11: 5150<br>2011/12: 42000<br>2012/13: 2000 | 06/07 achievement<br>2,035 m<br><br>07/08 target<br>25,593 m in 06/07 IDP<br><br>07/08 achievement<br>6,319 m | 23,948 m | 9,312 m<br><br>38,8% | 17,666 m | Target not achieved due to extensive rock on site, late appointment of consultants and contractors. Additional geo-technical investigations required. Poor performance of contractors has been the main reason for not achieving targets. | Cash flow and deliverables were revised after the approval of the fund transfer report. The remainder will be installed in 2009/10. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.2.4.6 m Internal water network pipelines upgraded and replaced (capital) | PWID Water and Sanitation | 2007/08: 338502<br>2008/09: 281703<br>2009/10: 209000<br>2010/11: 95720<br>2011/12: 115980<br>2012/13: 330,000 | 06/07 achievement<br>72, 457 m<br><br>07/08 target<br>338,502 m in 06/07 IDP<br><br>07/08 achievement<br>287,362 m | 281,703 m | 202,111 m | 561,930 m | A fund transfer of 04/02, liquidation of a contractor, community protests, price escalation of construction material as well as hand excavation to avoid damage to existing services had a major impact on the delay of this target. | **Upgrade:**<br>Pangane pipelines were issued a notice by the City of Tshwane.<br><br>Negotiations are currently underway with an alternate contractor to complete the project. |
| 1.3 Provide quality Sanitation services and infrastructure | 1.3.1 Provide basic or higher levels of sanitation infrastructure in proclaimed areas | 1.3.1.1 Number of household stands provided with sanitation connection per year by the department to eradicate the backlog | PWID Water and Sanitation | 38,760 (2010/11) | 06/07 achievement<br>1,473<br><br>07/08 target<br>1,500 as per the IDP<br><br>07/08 achievement<br>1,217 | 7,708 connections<br><br>The target was increased by 469 through the fund transfer report of the 04/02/09. | 2,463 connections | 5,153 | Targets changed due to funds transfers.<br><br>Although additional resources were used and construction was accelerated the target could not be achieved due to the price escalation in building material.<br>. | The balance of connections will be provided in the 2009/10 financial year. |
| | | 1.3.1.2 Length of bulk sewer pipelines installed (m) to support growing demand (new) | PWID Water and Sanitation | 2007/08: 1507<br>2008/09: 500<br>2009/10: 4500<br>2010/11: 2000<br>2011/12: 0<br>2012/13: 0 | 07/08 target<br>3,916 m as per the IDP<br><br>07/08 achievement<br>O | 1,280 m | 1,280 m | 1,280 m upgraded | The project is complete. | NA |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.3.1.3 Length of Internal sewer network pipelines installed (m) to support growing demand (new) | PWID Water and Sanitation | 2007/08: 0<br>2008/09: 136800<br>2009/10: 159400<br>2010/11: 86000<br>2011/12: 0<br>2012/13: 0 | 06/07 achievement<br>3134 m<br><br>07/08 target<br>13,710 m<br><br>07/08 achievement<br>0 | 51,440 m<br>The target was reduced by 40.36 km on the 04/02/09 and by 45 km through a fund transfer dated 20/05/09 | 30 m | 3,164 m (new) | The fund transfer report of 04/02/09 influenced the target.<br>Deviation due to lengthy procurement processes for appointment of contractor. 50 m of the initial distance was overestimated. | The planned 2000 m will be installed in Aug2009.<br>The Target was over-estimated with 50 m. |
| 1.3 Provide quality Sanitation services and infrastructure | 1.3.2 Provide basic levels of sanitation in un-proclaimed areas | 1.3.2.1 Number of residential stands (in formalised areas) provided with sewer connections | Housing and Sustainable Settlements | Maintain or increase baseline<br><br>Annual target = 3,204 | 06/07 achievement<br>19,376<br><br>07/08 target<br>12,000<br><br>07/08 achievement<br>12006 | 3,204 | 3,650 | 35,032 | Annual target achieved | NA |
| | | 1.3.2.2 % of Informal Settlements provided with chemical toilets[63] | Housing and Sustainable Settlements | 100% | 07/08 target<br>100%<br><br>07/08 achievement<br>100% | 100% | 100% | 100% | NA | NA |

[63] All Informal Settlements within the jurisdiction of City of Tshwane are provided with chemical toilets. One toilet is shared by 10 h/holds,

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.3.3 Maintain sanitation services' infrastructure | 1.3.3.1 Sanitation repairs and maintenance to TOI (**total** operating income for sanitation) | PWID Water and Sanitation | A minimum of 14% per annum | 06/07 achievement 9.55%<br><br>07/08 target 11% as per the SDBIP- not an IDP target<br><br>07/08 achievement 10,93% | 12,1% | 9,9% | Average of 10,1% over the last three years. | The income is 'demand driven' and cannot be predicted. It must be noted that the sewer tariffs are calculated as a percentage of the water consumption. | The income is 'demand driven' and therefore cannot be predicted. |
| | | 1.3.3.2 R spent on sanitation infrastructure upgrade and replace | PWID Water and Sanitation | | 06/07 achievement R 149,830,000<br><br>07/08 target No IDP target for 07/08<br><br>07/08 achievement R 113,506,458 | R100,600,000 | R104,304,507 | R 367,640,965 | Fund Transfer on 04/02/2009 influenced the target. Owing to higher than expected increase in material and construction costs funds were re-allocated to accommodate the increased expenditure. | Ensure efficient project management and control of all projects |
| | | 1.3.3.3 R spent on sanitation operational maintenance (opex) | PWID Water and Sanitation | | 07/08 target No IDP target for 07/08<br><br>07/08 achievement R29,135 579 (W&S Qtr3) | R42,626,933 | R42,173,169<br><br>98% | Approximately R71, 308,748 for the past two years. | Fund Transfer on 04/02/2009 influenced the targets on this Indicator. Owing to the higher than expected increase in material and construction cost, funds were re-allocated to accommodate the increased expenditure on projects. | Attend to all customer complaints and preventive maintenance on an as-and-when required basis. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.3.3.5<br>m Bulk sewer pipelines upgraded (capital) | PWID<br>Water and Sanitation | 2007/08: 6016<br>2008/09: 4800<br>2009/10: 3000<br>2010/11: 3000<br>2011/12: 3400<br>2012/13: 2400 | 06/07 achievement<br>31,08 m provided<br><br>07/08 target<br>6,016 m as per the 06/07 IDP<br><br>07/08 achievement<br>6597 m upgraded | 4,800 m | 3,768 m | 10,396 m | Deviation due to inclement weather conditions (extensive rain) which resulted in delaying of this target. | Additional resources will be used to accelerate construction and install the outstanding meters in 2009/10. |
| | | 1.3.3.6<br>m Internal sewer network pipelines upgraded (capital) | PWID<br>Water and Sanitation | 2007/08: 61268<br>2008/09: 35405<br>2009/10: 20260<br>2010/11: 10260<br>2011/12: 10260<br>2012/13: 10260 | 07/08 target<br>61,268 m as per the 06/07 IDP<br><br>07/08 achievement<br>47 425 m upgraded | 35,405 m | 19,778 m | 67,203 m | Deviation due to the lengthy procurement process for the appointment of consultants and contractors as well as extensive rain. | The Consultants and Contractors were appointed, additional resources will be used to accelerate construction and install the outstanding meters by end of Dec2009 |
| | | 1.3.3.7<br>Ml waste water treated per day | PWID<br>Water and Sanitation | 698,20 Mld | 06/07 achievement<br>380Mℓ/day<br><br>07/08 target<br>No target on IDP level<br><br>07/08 achievement<br>557,2 ML/day | 577,2Mℓ/day | 440 Mℓ/day | Cumulative NA | The total current capacity of the Waste Water Treatment Works is 577,2Mℓ/day. The current **average** annual daily dry weather flow (ADDWF) is 416,5Mℓ/day. This leaves a spare capacity of 160,7Mℓ/day. The current flow must not be larger than the total capacity of the treatment works (577, 2 Mℓ/day). | Owing to the growth in demand, the capacity of current Waste Water Treatment Plants are being increased. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 1.4 Waste removal services | 1.4.1 Provide access to intermediate or higher levels of waste removal services in formalised areas (proclaimed areas) | 1.4.1.1 Number of new kerb side waste removal service points added to cater for demand/ growth | Agriculture and Environmental Management | 65,000 | 06/07 achievement 9,762<br>07/08 target 16,000<br>07/08 achievement 11,830 | 13,500 | 9,364 | 30,956 | Refer to footnote[64] | This KPI has been changed for the 2009/10 financial year to percentage of requests received and serviced within 7 working days |
| | | 1.4.1.2 Total tonnage of domestic waste collected | Agriculture and Environmental Management | 772,000t | Not an 07/08 target<br>07/08 achievement 660,000t | 660,000t | 896,419t | 1,556,419t for the past two years. | This is a reactive service. All refuse on the Landfill sites is collected and calculated according to the Pay load (tare/weigh mass) of the vehicle when there is no working weighbridge at the Landfill site. | NA |
| 1.4 Waste removal services | | 1.4.1.3 Total tonnage of garden refuse disposed of | Agriculture and Environmental Management | 762,335t | Not an 07/08 target<br>07/08 achievement 651,648t | 651,648t | 582,653t | 1,234,301t for past two years. | This is a reactive service. All refuse on the Landfill sites is collected and calculated according to the Pay load (tare/weigh mass) of the vehicle when there is no working weighbridge at the Landfill site. | This KPI has been changed to percentage reduction in total waste collected in the 2010 financial year |
| | | 1.4.1.4 Total tonnage commercial waste collected | Agriculture and Environmental Management | 2,807,660t | Not an 07/08 target<br>07/08 achievement 2,400,000t | 2,400, 000T | 152,666t | 2,552,666T for past two years. | Reactive service. All refuse on the Landfill sites is collected and calculated according to the Pay load (tare/weigh mass) of the vehicle when there is no working weighbridge at the Landfill site. | The aim of this KPI is to collect all commercial waste. This KPI has been changed to the percentage reduction in total waste collected in the 2009/10 financial year. |

[64] The attaining of this KPI is dependent on City growth, the proclamation of new townships and the creating of business partners once happy letters have been received. The creation of a business partner is done on SAP and is carried out by the Finance Department. The Waste Management Division also has to compete with private waste removal service providers. This situation is similar to that of the Electricity Division where full services can only be provided in proclaimed areas and where there is no backlog for full service provision

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.4.1.5 Tonnage of illegal dumping removed | Agriculture and Environmental Management | 14,302t | Not an 07/08 SDBIP target<br><br>07/08 achievement<br>1, 500t | 16,500t | 241,690t | 243,190t for past two years | Reactive service. All refuse on the Landfill sites is collected and calculated according to the Pay load (tare/weigh mass) of the vehicle when there is no working weighbridge at the Landfill site | NA |
| | 1.4.2 Provide access to basic (that is per communal skip) or higher levels of waste removal services in informal areas | 1.4.2.1 Number of households in informal (un-proclaimed areas) provided with plastic bag removal services | Agriculture and Environmental Management | 160,000 | Not an 07/08 target<br><br>07/08 achievement<br>40,000 | 80,000 households | 48,300 households | This is not a cumulative measure | The inclusion of another approximately 11,000 households is currently being negotiated with the relevant Councillor. | Revise targets. |
| | | 1.4.2.2 Number of households in informal (un-proclaimed areas) provided with communal skips | Agriculture and Environmental Management | 180 | 07/08 target<br>Not an 07/08 target<br><br>07/08 achievement<br>80<br>(skips provided) | 80,000 h/h<br><br>100<br>(skips provided) | 73,000 households | 73,000 h/h<br><br>This is not a cumulative measure | Refer to footnote[65] | This KPI has been changed in the 2009/10 financial year to percentage of requests for skips serviced within seven working days. |
| 1.4 Waste removal services | 1.4.3 Maintain waste removal infrastructure (including waste dumps) | 1.4.3.1 Waste removal services repairs and maintenance to TOI (**total** operating income for waste removal) | Agriculture and Environmental Management | A minimum of 35% per annum | 07/08 target<br>11%<br><br>07/08 achievement<br>42% | 35% | 25% | An average of 33, 5% over the past two years. | The Department set a baseline of 35% in the 08/09 financial year and managed to obtain an average percentage of 36% for the year. The attaining of this KPI is dependent on the payment patterns of consumers as this item is measured against total operating income. | This KPI has been changed in the 09/10 financial Year to percentage of repairs and maintenance to the total expenditure budget. |
| | | 1.4.3.2 Capacity | Agriculture and | 100% = | 07/08 target | 25% of | 666,388T | 3,066,388t | N/A | The available space |

[65]. During discussions held with the Cleaner City Committee it was mentioned that residents in informal areas preferred to make use of a waste removal bag with a weekly removal service instead of using skips. The residents in the Northern areas have indicated that they would prefer to rather place the bags on the sidewalk to be picked up instead of making use of skips. Plastic bags are removed by contractors.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | of landfill /refuse disposal sites as a proportion of projected tonnage demand p.a. | Environmental Management | 12 million t | Not an 07/08 target<br><br>07/08 achievement<br>2,442,894t after recycling | 2,4 million ton | | | | is unknown, land surveying needs to be done to enable the City of Tshwane to calculate an estimation of how much airspace on the landfill sites is still available. |
| 1.5 Housing Services | 1.5.1 Provide households with access to *basic or better* housing[66] in formalised areas (proclaimed areas) | 1.5.1.1<br>Number of top structures provided in formalised (proclaimed) areas | Housing and Sustainable Settlements | | 06/07 achievement<br>7,609<br><br>07/08 target<br>6,000<br><br>07/08 achievement<br>6,152 | 1,138 | 1,639 | 15,400 | N/A | N/A |
| | | 1.5.1.2<br>Number of completed family units at hostels | Housing and Sustainable Settlements | 1,200<br><br>240 p/a[67] | 07/08 target<br>240<br><br>07/08 achievement<br>360 | 240 | 0<br><br>80 are at completion stages. | 360 | Construction was suspended due to financial constraints. | The required funds from Gauteng Department of Housing have been received and construction will resume. |
| | | 1.5.1.3<br>Number of houses registered to owners | Housing and Sustainable Settlements | Maintain or Increase the baseline | Not an 07/08 target<br><br>Achievement to date<br>3,211 until April 2008 | 2,619 | 2,899 | 6,110 | Annual target achieved. | N/A |

[66] i.e. housing that provides: legal security of tenure; the availability of services; materials, facilities and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy.
[67] Dependent on confirmation of funding from Province.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 1.5 Housing Services | 1.5.2 Repair and maintain Housing assets | 1.5.2.1<br>Cost of repairs and maintenance (of rental assets) as a percentage of the total operating income (TOI) for housing services (that is rental services) (international bench-mark) > 30% of TOI p.a.) | Housing and Sustainable Settlements | Maintain or increase baseline | 07/08 target<br>1,5% of asset value<br><br>07/08 achievement<br>>30% | <30% | 19,66% | >30% in 07/08 year | N/A | N/A |
| 1.6 Formalise informal settlements that can be formalised | 1.6.1 Proclaim informal settlements that can be proclaimed as townships | 1.6.1.1<br>% of settlements for which township establishment applications have been submitted | Housing and Sustainable Settlements | Eradicate all Informal Settlements by 2011 | 07/08 target<br>Not an 07/08 SDBIP target<br><br>07/08 achievement<br>13 Townships established | 19 | 15 | 15 to date<br><br>13 Townships were established.[68] | 10 subdivision applications in process.<br><br>8 Township establishment plans in process. | Powers of Attorney submitted to technical advisers and re appointments have been made and it will take several months for compilation and submission of township establishment applications |
| 1.7 Roads and Storm-water | 1.7.1 Provide roads to eradicate backlogs | 1.7.1.<br>1 Km of roads to reduce backlogs | PWID Roads and Stormwater | 213.1 Km | 06/07 achievement<br>40.5 km<br><br>07/08 target<br>39.6 km<br><br>07/08 achievement<br>77,5 km | 63,1 km<br><br>The target was increased by 2.4 km on 18/02/09 and by 3.4 km on 20/05/09 through a funds transfer. | 69,6 km | 187.6 km | N/A | N/A |

[68] 23 Informal settlements were formalized out of 65

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.7.2 Provide new roads to manage growth in the city | 1.7.2.1 Km's of new roads constructed | PWID Roads and Stormwater | 70 Km | 07/08 target 12.4 km<br><br>07/08 achievement 21.8 km | 18,60 km per dept plan 3,6 km indicated on SDBIP | 24,5 km | 46.3 km for the past two years | Annual target achieved. | N/A |
| | | 1.7.2.2 Km of roads taken over from private developers to manage the growth in the city | PWID Roads and Stormwater | Provide 70 km of new road for growth. | 2006/07 achievement 37.5 km<br><br>Not an 07/08 target<br><br>07/08 achievement 51,7 km | 10,3 km | 22.9 km | 112.1 km | N/A | N/A |
| | 1.7.3 Upgrade and maintain roads, stormwater and related infrastructure | 1.7.3.1 R spent on infrastructure upgrade (that is increasing the life of an asset) (capital)[69] | PWID Roads and Stormwater | Not available | 07/08 target No target<br><br>07/08 achievement R64,530,350 | R20,472,000 | R29,686,434 | R 94,216,784 for the past two years | More CAPEX than planned could be used to increase the asset life of infrastructure since funds were transferred from non-performing projects. See Mayoral Committee Resolutions of 18 Feb 2009 (item 2) and 20 May 2009 (Item 29). The net result is saving on R&M in the longer term. | Ensure that expenditure remains within approved budget and all adjustments. |

[69] This indicator was changed after department was requested for information – it makes more sense to monitor upgrade of roads 's asset life than operational maintenance

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.7.4 Eradicate stormwater drainage backlogs | 1.7.4.1 Km of intermediate or higher stormwater drainage at roads provided to eradicate backlogs. | PWID Roads and Stormwater | To construct a minimum of 178.7 Km[70] km of stormwater drainage systems at intermediate or higher levels by 2011[71] | 06/07 achievement 15,9 km<br><br>07/08 target 38.1 km<br><br>07/08 achievement 53,7 km | 35.7 km<br><br>The target was reduced by 17.9 km on 18/02/09 and by 14.4 km on 20/05/09 through a fund transfer | 50 km | 119.6 km | The delay of approval of environmental impact assessments has had a major impact on the implementation of non-road based stormwater systems. | The projects that were delayed were deferred to the 2009-10 MTREF. Approval of EIA is beyond the control of the department. |
| | | 1.7.4.2 Number of residential stands provided with roads and storm-water drainage (Housing Services). | Housing and Sustainable Settlements | | 06/07 achievement 6,000 (30 km of road)<br><br>07/08 target 4,000 stands (20 km)<br><br>07/08 achievement 7,162 Stands (44,76 km) | 20 kms | 26,67 km<br><br>Stands = 4,267 | 17,429 stands equivalent to<br><br>101.43 km | N/A | N/A |
| | 1.7.5 Provide stormwater drainage systems to manage growth | 1.7.5.1 Km of stormwater drainage to provide for the growth in demand. | PWID Roads and Stormwater | Provide 28 km of new Stormwater drainage systems. | 06/07 achievement 34.6 km<br><br>07/08 target 4.4 km<br><br>07/08 achievement 35 km | 2,9 Km | 20,8 km | 90.4 km | N/A | N/A |

[70] 14% of an estimated 2357 km backlog (Service Level report approved by Council 25 January 2007)
[71] To eradicate the backlog associated with roads a target of 77.2 km need to be constructed annually – this excludes natural waterways

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.7.6 Roads and Storm-water maintenance | 1.7.6.1<br>% of capex spent on infrastructure upgrade (that is to extend the life of an asset). | PWID<br>Roads and Stormwater | Not available for R&SW | 07/08 target<br>No targets on SDBIP<br><br>07/08 achievement<br>Revised 2007/08 capital budget for Roads and Stormwater and related infrastructure = R64,530,350 | 3,6% | 15,6% | | The deviation was as a result of unplanned spending. | Rectify the formulas on the Divisional Scorecard template and provide correct information. |
| | | 1.7.6.2<br>Percentage of opex spent on repairs and maintenance. | PWID<br>Roads and Stormwater | Not available for R&SW | 07/08 target<br>Not an 07/08 target<br><br>07/08 achievement<br>Total 2007/08 operating budget for Primary Costs and overhead (excluding secondary costs) for R&SW = R198,766,232 | 19%<br><br>R317,258,000 | 28,1% | | The R&SW Division had to transfer funds to its OPEX for Repairs and Maintenance to allow for some budget for all 5 ASD regions, since there was insufficient budget and the budget was not aligned to the ASD Regions. | The operating budget was maximized in as far as Repairs& Maintenance is concerned, in an effort to increase the already low levels of budgeting for maintaining an ever increasing asset base. |
| 1.8 Provide public transport facilities and services | 1.8.1 Provide a public bus service | 1.8.1.1<br>Number of passengers per trip (total nr of passengers per period/total number of bus trips made per period) | Economic Development<br><br>Public Transport | Increasing nr of passengers per trip by expanding services to other areas and rescheduling of routes | Not an 07/08 target<br><br>07/08 achievement<br>22 | Increase by 2,5% | 22,94 | NA | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.8.1.2<br>Total cost per trip per passenger: total revenue per trip per passenger | Economic Development<br><br>Public Transport | Improve the ratio by 10% p.a. | Not an 07/08 target<br><br>07/08 achievement<br>0,38 | 0,29 | 0,91% increase | 0.38 in 07/08<br><br>0.91 in 08/09 | N/A | N/A |
| | 1.8.2 Transport planning | 1.8.2.1<br>Average public transport travel times to work/place of education. | PWID Transport | 60 min | Not an 07/08 target<br><br>07/08 achievement<br>66,5 min | 66,0 min | 66,5 min | 66,5 min p/a | Travel time survey completed. Survey report to be evaluated to determine way forward. | N/A |
| | | 1.8.2.2<br>% of BRT trunk line constructed. | PWID Transport | 68 km | Not an 07/08 target | 20%<br>(that is 13,6 km) | 0% complete however, Planning for implementation is proceeding well | NA | Insufficient planning funds.<br><br>Lengthy procurement process.<br><br>Internal and external human resources skills shortages. | Obtain planning funds.<br><br>Speedup procurement process.<br><br>Appoint additional project team members. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006-30 June 2011) | Baseline 2007/08 | 2008/09 Annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1.8.3 Public transport facility maintenance | 1.8.3.1 Cost of transport facility maintenance/total nr of facilities maintained = Average cost of maintenance per facility | PWID Transport | 100% maintenance of all new and existing facilities. | 07/08 target Not an 07/08 target<br><br>07/08 achievement R 15 mil. | R8,2 mil . | R14,442,507 mil | R29,442,507 for the past two years | Serious lack of funding. | Funding allocation to be re visited for this target. |

## 2 ACCELERATE HIGHER AND SHARED ECONOMIC GROWTH AND DEVELOPMENT

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.1 Facilitate higher economic growth | 2.1.1 Facilitate investment | 2.1.1.1 Number of interventions that lead to investment as a proportion of total interventions aimed at facilitating investment | Economic Development | 20 | 07/08 target 90% of interventions<br>07/08 achievement Not reported | 4 | 4 | 4 | Refer to footnote[72] | N/A |
| | | 2.1.1.2 R value of business investments facilitated | Economic Development | R2 Billion | 07/08 target R150M<br>07/08 achievement R713.9M | R400 million | R816,886,800[73] | R2056,6 billion | N/A | N/A |

[72] Hosted the Tshwane International Trade and Infrastructure Investment Conference (TITIIC) as from 27 to 29 May 2009 wherein more than 1,200 delegates, 28 international guests and 58 speakers participated; and Refer to (d), (j) and (k) - (a) Arranged a site visit by BPO industry stakeholders to proposed BPO park in Hammanskraal (b) Compiled reports for two events in preparation for Tshwane's participation in the Asia-Expo and Trade and Investment Forum (c) Hosted a 5 member delegation from Advent Group (USA) on an investment tour of the City of Tshwane to discuss possibilities of investing in a bottling plant and real estate (d) Attended the Asia Expo Investment Conference in Bloemfontein to interact with investors from the Middle East (e) Manned an information stall and participated at the 2nd National Trade and Investment Conference that was hosted by the DTI in Cape Town (f) Hosted an ICT delegation from Belgium and addressed a delegation from India on business opportunities in the City of Tshwane (g) Developed the TITIIC 2009 concept paper and Terms of Reference for the appointment of a service provider (h) Facilitated linkages with foreign components manufacturing companies CAPAC from China and SEPCO - India (i) Commissioned the procurement of a service provider to develop a 12 projects per region investment project database (j) Participated in the Omega Investment Conference in London, Hamburg and Munich (k) Participated in the official launch of the Gauteng NEPAD Business Summit at the Tshwane Events Centre (l) Facilitated a meeting with the New Reclamation group to facilitate the R100 million investment in a world class Metal Recycling Facility at Waltloo (m) Evaluated the TITIIC tenders and recommended a service provider for appointment (n) Cancellation and re-advertisement of investment project packaging tender due to budget cuts (o) Meeting with Texforce on renewable energy for the city and the revival of the City's two power stations (p) Attended the Gauteng Nepad Summit to profile the City of Tshwane as the preferred destination for trade and investment (q) Invited various companies and embassies both locally and abroad for TITIIC 2009 and printed pre-event brochures and circulated it to important stakeholders for further circulation, and advertised TITIIC on various magazines locally and internationally (r) Drafted a cognisance report to the Mayoral Committee and City Manager and the briefing packs for TITIIC have been sent to the SED and MMC for them to brief Top Management and political heads (s) Met with the Regional Sales Manager for HOMANIT GMBH & Co who is interested in selling furniture components to the South African furniture manufacturers as well as to re-invest their technology and equipment in Tshwane worth EUR100 million with the potential to employ at least 350 people (t) Held discussions with TEXFORCE (Pty) Ltd who are currently having a subsidiary in Cape Town to invest in the City of Tshwane in three major projects i.e. the inward investment and technical mission to the City of Tshwane in February 2009, Investment in Solar power production for a 100 megawatt plant - renewable energy valued at EUR 1 billion, and a PPP on the carbon trading exchange as they have a licensed model valued at R10 million (u) Assisted the Reclamation Group to apply for the alienation of council land in Silverton in order to facilitate the R100 million investment in Silverton (v) Held discussions with DTI and Nissan to facilitate the phase 2 of Nissan's expansion programme and explore possibilities of establishing a BEE Battery Manufacturing facility in the North west region

[73](R227,686,800 industrial private sector buildings plans approved and completed by City Planning in June 2009; R173,2 million investment by Ford Motor Corporation and R416 million by Nissan Motor Corporation (refer to point f) (a) Facilitated a trilateral between City of Tshwane, NWDC and Matla Solar which is likely to invest R65 million once the project has been finalised (b) Discussions are underway with the Advent Group, CAV, Nissan, etc. to realise a sizeable investment inflow into the city (c) Developed a comprehensive Investment Incentive Package for the City of Tshwane (awaiting Council approval) (d) Held discussions with CAV and DTI to establish a working group for the development of the R569 million in the Centurion Aerospace Village development (e) Facilitated a meeting between GEDA, The Innovation Hub and the City Planning Development and Regional Services Department w.r.t. the establishment of a one-stop centre, feasibility studies for the Gautrain Economic Precinct at Pretoria Station, Software Development Centre at TIH, development of an International Trade Centre at the TICC. Economic Development as part of the MOA with UNISA has commissioned the development of an investment monitoring mechanism for the City of Tshwane (f) Nissan SA has reported that since 1 July 2008, R416 million has been invested in infrastructure (R150 million) and Model Specific investment (R266 million))

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.1 Facilitate higher economic growth | 2.1.2 Ensure current businesses and manufacturing enterprises are retained | 2.1.2.1 Number of business/manufacturer enquiries/problems with municipal services referred to core function | Economic Development | All | Not an 07/08 target | All | 18 Enquiries/problems [74] | 100% | N/A | N/A |
| | | 2.1.2.2 % of business manufacturer enquiries /problems with municipal services solved within one month | Economic Development | 50% | Not an 07/08 target | 50% | 0% | No data as yet | An individual has been assigned to visit the various call centres monthly to obtain the information, yet challenges are still experienced to obtain the information. | More engagements at a senior level to ensure departments cooperate with the lead department. |

[74](a) Facilitated a meeting on Health and Environmental related issues at Hatherley landfill site (b) Established a Technical Service Delivery team to facilitate Business Retention ad Expansion in North East and west regions (c) Facilitated a meeting with GEDA on the TATA land alienation issues (d) Established a business forum in Babelegi industrial estate (e) Facilitated a meeting with Reclaim on the land alienation for the investment of R100 million in the City of Tshwane (f) Facilitated meetings between City of Tshwane key Departments with Ford and Tata to address their land lease challenges, feedback is awaited from Legal Services to proceed (g) Arranged a dinner meeting with Ford Executives to address their service concerns with key stakeholders in City of Tshwane (h) Followed up on various enquiries that relate to stakeholder Departments with regard to Ford, Tata and UP (BPO Park) to address their land lease challenges but still awaiting feedback from the CM, Legal Services and PW&ID in particular (i) Held discussions with CAV and DTI to establish a working group to address challenges faced by the development of the R569 million in the Centurion Aerospace Village development (j) Participated in the service delivery committee with REDS to effectively interface with business in the area of service delivery (k) Addressed a meeting that was coordinated by the Northern Choice Chamber of Commerce and Industry to address their service delivery challenges (l) Attended several meetings with Gauteng DED, AIDC and Ford Motor Corporation to address the challenges faced in the roll-out of mega projects (m) Generated a report as advised by Adv. Mxolisi Ndlovhu to seek Council approval to alienate land for Tata, Ford and Gezina (n) Facilitated a meeting between NUMSA, FORD and Governments to develop a social plan for employees that would be affected by the credit crunch at FMCSA (o) Developed a letter of Support for the Centurion Aerospace Village (p) Met with Ford to prepare for the operationalisation of the Mini-Auto Supplier Park and presented the proposed investment incentive policy framework for their cognisance (q) Commissioned the AIDC to re-launch the Tshwane Auto Office in Rosslyn (r) Made a presentation to the Rosslyn Development Forum to mend and strengthen the partnership with Industrialists in the North-west region

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.1 Facilitate higher economic growth | 2.1.3 Facilitate opportunities for businesses towards international trade linkages | 2.1.3.1 Number of linkages facilitated | Economic Development | 180 | No baseline available | 56 | 417 Business linkages | 417 | Refer footnote[75] | N/A |
| | 2.1.4 Facilitate tourism opportunities in the City of Tshwane | 2.1.4.1 Total number of tourist beds/Number of tourist beds occupied per period | Economic Development | Average of 65% | 07/08 target Not an SDBIP target<br>07/08 achievement 50% | 50% | 40%<br>73% of establishments had an occupancy rate higher than 40%, 71% of establishments had occupancy levels higher than 40% in the first quarter of 2009. The trend followed in 2008 seems to be comparable with the trends noted for the first quarter of 2009. | Average of 45% over the past two years | Refer to footnote [76] | otnote [77] |

[75] (a) 101 SMMEs participated at The Market @ Square Flea Market on 23 and 24 May 2009 as part of May Business Month Programme (b) 8 SMMEs attended the Export Orientation Course on 20 and 27 May 2009 (c) 120 enterprises exhibited at TITIIC (Note: There was a total of 550 meetings requested; ICT 17%, Tourism 11%, general business 10%, Government 9%, Arts and crafts 9%, electricity 8%, Financial 7%, Agro-processing 6%, Jewellery 5%, Chemical 417 4%, BPO 3% and others 11%) (d) 188 up to May 2009: 42 beneficiaries received ECO certificates, 65 beneficiaries attended Export Awareness Seminar, 10 Export orientation, 20 Pretoria Show, 10 SMMEs were sponsored to exhibit at the Asia-Expo 2008 in Bloemfontein, facilitated for 21 businesses to participate at the Women in Finance Seminar and Exhibition and 20 SMMEs were supported to participate at the Irene Christmas Market Exhibition. No event took place in January 2009, but preparing for Gauteng NEPAD Summit, Youth Business Expo, TITIIC and Business Month.

[76] A primary database was developed using desktop research in collaboration with Industry Associations. This database was then verified by means of the internet, telephonic contact or through e-mail and fax. Approximately 450 establishments were contacted electronically and 10 establishments were faxed. No faxed responses were received to date, but 141 electronic responses were received. A response rate of 31, 3% was obtained, and 77% of establishments completed the entire questionnaire.

[77] A first contact was made with accommodation providers from the University of Pretoria and the City's side. Occupancy levels were requested for both 2008 as a whole as well as for the first quarter of 2009, January through to March 2009. Improvements are expected in the new financial year.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.1 Facilitate higher economic growth | 2.1.4 Facilitate tourism opportunities in the City of Tshwane | of international/national reparation for 2010 | Development | Maintain or increase baseline | 07/08 target<br>2 p/a<br><br>07/08 achievement<br>2 | 2 pa | 4[78] | 6 over the past two years | N/A | N/A |
| | | 2.1.4.2<br>Number of international/national events in preparation for 2010 | OEMCM<br><br>CEO 2010 | | 07/08 target<br>2<br><br>07/08 achievement<br>2 | 2 pa | 2 | 4 over the past two years | N/A | N/A |

[78] Süd-Afrika Tage road show and Exhibition in Germany, 2.Tshwane Tourism Festival, 3. Tshwane Tourism Awards 2009, Tourism Indaba '09

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.1 Facilitate higher economic growth | 2.1.5 Regenerate stagnant economic nodes (in collaboration with City Planning Development and Regional Services) | 2.1.5.1 Number of economic nodes regenerated as per business plan (Regeneration and development of potentially viable economic nodes focusing on the inner city and targeted areas based on efficient land use) to increase GVA | Economic Development | Four stagnant nodes with potential revived by 2011<br><br>Babalegi<br>Ga-Rankuwa<br>Pretoria West<br>Winterveld<br>Atteridgeville<br>Soshanguve<br>Mamelodi | 07/08 target<br>0<br><br>07/08 achievement<br>1 | 1 | Facilitated a Steering Committee meeting on the Ga-Rankuwa/Babelegi business incubator programme, the Steering Committee also met with the management of the Shatterprufe Manufacturing Plant, to discuss the possibility of outsourcing one of their operations. | 1 | Refer to footnote[79] | Held planning sessions with Regional Executive Directors: North-east, North-west and Eastern on the identified node. |

[79] The regeneration of economic nodes is a process that can only be achieved with the participation of all stakeholders at National, Provincial & Local government levels, as it will require enormous capital investment as well as technical expertise to reposition these nodes. At this stage, LED could only do limited interventions such as the development of a regeneration strategy and investigating possibilities for other strategic interventions and stakeholder mobilization.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.2 Facilitate shared economic growth | 2.2.1 LED | 2.2.1.1. Number of business entities (for example 'SMMEs and cooperatives) supported and developed | Economic Development | Develop and support at least 8 000 'SMMEs and/or cooperatives by 2011 names modes of development and support, for example information provision, training etc) | 06/07 achievement 3,111<br><br>07/08 target 1,610 as per the IDP<br><br>07/08 achievement 2,358 | 676 | 7,313<br><br>This is made up as follows:<br>SMMEs supported and developed: 4,953<br><br>Cooperatives supported and developed: 2,079 | 12,501 | NA | N/A |
| 2.2 Facilitate shared economic growth | 2.2.2 Facilitate job creation | 2.2.2.1 Number of formal jobs created[80] in the City's economy | Economic Development | 211 707 | 06/07 achievement: 59,000<br><br>07/08 target 5,000<br><br>07/08 achievement: 40,000 | 35,000 | 14,728<br><br>Made up of 12,785 in the formal sector + 1,943 created by City of Tshwane through its capital projects | 113,728 | Refer to Footnote[81] | There is an economic downturn and jobs were shed in the economy towards the end of the financial year. |

[80] This figure will include the job growth in the economy as a whole.

[81] Our employment data for 2008 has been released by StatsSA. There is four to six month time lapse and data gap caused by the data release time frames by StatsSA that doesn't align with the national & municipal financial year ends. Stats' and other data agencies only release some economic data on the calendar year; hence the 2008 figures were only released in June 2009. However, due to the global financial crisis, the employment data for 2009 will only be made available during the course of 2010.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 2.2 Facilitate shared economic growth | 2.2.2 Facilitate job creation | 2.2.2.2 The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI) | ED to collect data from depts. Having capital projects | Maintain or increase baseline(s)[82]<br><br>TD: 900<br>ELEC: 1855<br>R&SW: 3,064<br>AEM: [83]1000 | 07/08 target<br>3,536<br><br>07/08 achievement:<br>7,737<br><br>06/07 achievement:<br>7,270 | 2,426 | 1,943[84] | 16,950 | This target is dependent on the implementation rate of capital projects, many of which were delayed. | Capital projects will be more carefully prioritised in terms of readiness. Departments will implement risk management in the project implementation processes. |
| | 2.2.2 Facilitate job creation | 2.2.2.3 Number of beneficiaries of skills development programmes[85] | ED: to collect data from departments | AEM: 50[86] | 07/08 target<br>Not an 07/08 SDBIP target<br><br>07/08 achievement<br>1,569<br><br>06/07 achievement<br>6 programmes | 2,632 | 1,153[87] | 2,722<br><br>In 2006/07 year nr of programmes were measured and not nr of beneficiaries. | Monitoring challenges experienced by the Lead department. | LED will establish a job/skills forum wherein all stakeholder Departments will be able to report regularly. LED has entered into partnerships with ESDA and the Department of Labour to optimally use the city's skills centres. |

[82] See list of departments: ED = Economic Development, HS (Housing Services), TD (Transport Development), R&S (Roads & Stormwater, W&S (Water and Sanitation), ELEC (Electricity), and CPD&RS (City Planning, Development and Regional Services, HSD (Health and Social Development), and FIN (Finance department).
[83] Nr of jobs created through implementation of agricultural interventions.
[84] 247 Short term: FPM; 36 Permanent: Transport; (d) 1 660 temporary jobs (220 Electricity, 1,360 Water & Sanitation, 80 Transport).
[85] Includes socio-economic skills development programmes as well as EPWP related training.
[86] Agricultural Skills Development Programmes provided to farmers.
[87] FPM: 60 traders were trained and have received their certificates on 19 June 2009 – included in LED's figure LED: (60 for June 2009; All four modules and the compulsory sites visits were completed by 12 June 2009; (a) 253 trainees are enrolled at Hammanskraal and Rosslyn skills centres (158 in Hammanskraal) – Brick making (42), Plumbing (33), Carpentry (37), Painting (26), Masonry (20) and (95 in Rosslyn) – Boiler making (58), Electrical (21), Refrigeration (4), Fitting & Turning (6), Panel beating (4) Motor Mechanic (2); From 1 July 2008 to 31 May 2009: 840 (297 ABET & Artisan Training; 119 Electricity; 187 Water & Sanitation, 20 trainees commenced a 6 week trade test preparation at the Hammanskraal Skills Centre; enrolled 53 learners for apprentice training at the Rosslyn Skills Centre. Concluded an MOA in respect of the Mabopane & Sekampaneng Skills centre for training of at least 400 people. 68 existing beneficiaries are still undergoing training at Hammanskraal and recruitment for new trainees commenced on 5 January 2009 for Rosslyn

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2.2.4 Provide an agricultural market facility | 2.2.4.1<br>% Increase in the provincial market share for agricultural trading (Tshwane Fresh Produce Market) | Economic Development | FPM: 31,5% | FPM: 30,4% | 30,7% | Provincial market share: *29,83%<br><br>National market share *17,79% | N/A | During the past five years the Tshwane Market has constantly increased market share. During the first five months of the 2008/09 financial year adverse supply conditions were experienced that impacted negatively on market share.<br><br>Emphasis was placed on attracting new customers to the market. | Market share has improved during the latter part of the 2008/09 financial year and this trend is expected to continue for the 2009/10 financial year. |

## 3 TO FIGHT POVERTY, BUILD CLEAN, HEALTHY, SAFE AND SUSTAINABLE COMMUNITIES

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.1 Fight poverty | 3.1.1 Provide an indigents support service | 3.1.1.1 Number of households receiving the municipal support grant – that is the social package (indigents' grant) as a proportion of the total nr of households with R0 income in the city | HSD | Maintain or improve baseline | 06/07 achieved 46,800<br><br>07/08 target 52,000<br><br>07/08 achievement 47 774 | 65,000<br><br>More than 40,5% of households earning R0 receive the municipal support grant | 68,696 | This is not a cumulative measure | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.1 Fight poverty | 3.1.1 Provide an indigents support service | 3.1.1.2 The percentage of households earning less than R1 700 per month (as per indigent register) with access to free basic services: (water; sanitation; electricity; waste removal) | HSD | Maintain or improve baseline 35% | 07/08 target Not more than 35% of total households<br><br>07/08 achievement Estimated figures from StatsSA indicates 251,215 households in the city living below R1700 per month 47 774/ 251 215[88] = 19,9% | 21,11% (65000/307,888) below R1 600/month | 27,35% | Not a cumulative measure | N/A | N/A |
| | | 3.1.1.3 R value of social support package | Finance | Maintain or increase baseline | 07/08 target R113.9 mil<br><br>07/08 achievement R72,538,582 | R170,700,000 | Will be reported once the financial statements are audited. | | Will be reported once the financial statements are audited. | Will be reported once the financial statements are audited. |
| | | 3.1.1.5 Number of indigent households on an exit programme | HSD | 1,500 | 06/07 achievement 114<br><br>07/08 target 150<br><br>07/08 achievement 1,240 | 1,320 | 399 | Cannot be determined as some households remain on the exit programme across years. An assessment is still to be done of h/holds that exited and returned. | Households that were meant to be absorbed by infrastructure projects were not taken up in the numbers expected. | Service level agreements to be entered into.<br>A more detailed strategy for exit is being developed for implementation in new financial year. |

[88] Kindly note that this figure will be updated once the newest Stats SA survey data is released. This will impact on the % provided.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.1 Fight poverty | 3.1.2 Provide services and programmes to vulnerable groups | 3.1.2.1 Number of poor children with access to edu-care[89] (poor = children from households registered as indigent and/or living on an income of below R3,000 per annum) | HSD | Maintain or increase baseline | Not an 07/08 SDBIP target<br><br>07/08 achievement 7,300 | 7,300 | 10,063<br><br>1,889 in City of Tshwane Crèches and 8,174 in NGO Crèches | N/A since school children return and some drop out.<br><br>This total includes new admissions and withdrawals. | N/A | N/A |
| | | 3.1.2.2 Number of beneficiaries of Programmes for women | HSD | 240 | Targets in the 07/08 year were not in terms of beneficiaries, but in terms of programmes | 2,339 | 4,533 | 4,533 beneficiaries.<br><br>120 households. | N/A | N/A |
| | | 3.1.2.3 Number of beneficiaries of programmes for the aged | HSD | 300 | Targets in the 07/08 year were not in terms of beneficiaries. | 3,828 | 3,667<br><br>(1,605 + 2062 Econ Dev.) | 3,667 beneficiaries and 150 households. | Target was increased in the adjusted SDBIP without thorough analysis. | Thorough planning will be instituted in the new financial year to perform as per the set target. |
| | | 3.1.2.4 Number of beneficiaries of programmes for the youth | HSD | 300 | Targets in the 07/08 year were not in terms of beneficiaries. | 1,315 | 2,041 | 2,041 beneficiaries.<br><br>150 households. | N/A | N/A |

[89] Educare is defined as the 10 City of Tshwane's owned crèches and the 80 crèches that are supported by City of Tshwane (Estimated figures stats SA 2006 203179 household earn less than R3000).

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 3.1.2.5 Number of beneficiaries of programmes for the disabled. | HSD | 100 | Targets in the 07/08 year were not in terms of beneficiaries, but in terms of programmes. | 2,544 | 3,367 | 3,367 beneficiaries<br><br>50 households | N/A | N/A |
| | 3.1.3 Facilitate food security projects | 3.1.3.1 Number of homestead and community food gardens supported by City of Tshwane. | Agriculture and EM | 3,000 | 07,08 target<br>Not an 07/08 SDBIP target<br><br>07/08 achievement<br>1,300 | 750 | 1,196 | 2,496 | N/A | N/A |
| 3.2 Provide Health care services | 3.2.1 Provide Primary Health care services | 3.2.1.1 Number of clinic users per period. | HSD | 06/07:<br>1,112,554<br><br>07/08:<br>1,176,943 | 07/08 target<br>1,033,861<br><br>07/08 achievement<br>1,176,943 | 1,033,861 | 1,410,779 | NB: The figures below may include return users. Therefore cumulative may not be applicable.<br><br>06/07<br>1,033,861<br><br>07/08<br>1,176,943<br><br>08/09<br>1,410,779 | N/A | N/A |
| | | 3.2.1.2 Percentage of EDL medicine made available to PHC clinic at all time | HSD | 90% | 07/08 target<br>90%<br><br>07/08 achievement<br>99% | 90% | 96,5% | N/A | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.2 Provide Health care services | 3.2.2 Provide Environmental Health functions | 3.2.2.1 % implementation of identified Environmental Health functions prescribed by the National Health Act for municipal health services. | HSD | 50% | 07/08 target 25%<br><br>07/08 achievement 25% | 30% | 30% | N/A | N/A | N/A |
| | 3.2.3 Implement the Tshwane AIDS Strategy 2007-2011 | 3.2.3.1 Percentage of City of Tshwane departments with council approved AIDS strategies. | HSD | To be established. | Not an 07/08 SDBIP target. | 40% | 33%<br><br>. | N/A | An AIDS strategy workshop (presented by HSD) could not take place in May 2009, due to all the Business Month activities that took place in that month. | The progress with implementation will be a standing item on the strategic executive directors' top management meetings and it will thus be monitored. |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.3 Decrease the crime levels working with the National Criminal Justice System, the South African Police Service, Business and communities, ensuring visible policing and strengthening the municipal court system | 3.3.1 Proactive crime prevention | 3.3.1.1 Number of internal policing operations executed to contribute to the 1% decrease in reported crime levels per type of crime | Community safety | At least 2000 internal operations | Achieved 06/07 452<br><br>07/08 target 392<br><br>Achieved 07/08 728 | 425 | 594 | 1,774 | N/A | N/A |
| | 3.3.2 By-law policing | 3.3.2.1 Number of joint operations to result in a reduction of by-law transgressions | Community safety | At least 2000 joint operations | Achieved 06/07 452<br><br>07/08 target 392<br><br>07/08 achievement 679 | 425 | 576 | 1,707 | N/A | N/A |
| | 3.3.3 Road policing | 3.3.3,1% reduction in fatalities per 10,000 registered vehicles per annum | Community safety | 20% | 07/08 target 10%<br><br>07/08 achievements 8% | 10% | 2.4 per 10,000 registered vehicles = 41% decrease | N/A | N/A | N/A |
| | 3.3.4 Municipal courts | 3.3.4.1 % of cases on the municipal court roll convicted | CSS | 80% | 07/08 target 80%<br><br>07/08 achievement 85% | 80% | 89% | Average conviction rate of 84,5% over two years | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.4 Ensure the safety of our communities, businesses and roads, fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard | 3.4.1 Provide a fire brigade service | 3.4.1.1 Number of fire incidents managed and responded to, as a proportion of total number received | Community Safety | 90% | 07/08 target 88% of fire incidents responded to as per IDP<br><br>07/08 achievement 87%<br><br>12,276 in 07/08 for all incidents | 88% | 4,908 fire incidents<br><br>100% | 12,276 all incidents [90]<br><br>4,908 fire for 08/09 | 426 more extinguishing services to render were requested than anticipated due to the veldt fire season. | N/A |
| | 3.4.2 Provide an emergency medical service (Ambulance) | 3.4.2.1 Number of emergency medical incidents responded to (patients treated and responded to) | HSD | 222,000 Cumulative over five years or 55,500 annually. | 06/07 achievement 53,621<br><br>07/08 target 48,000<br><br>07/08 achievement 60,843 | 55,000 | 76,031 | 190,495 | N/A | N/A |
| | 3.4.3 Provide a disaster management service | 3.4.3.1 Levels of the disaster management plan implement | Community Safety | 85% of a level 3 DRM Plan. | 07/08 target Level 2 plan as per IDP.<br><br>07/08 achievement Level 1 plan developed. | 30% of 85% of a level 2 plan. | 85% of a level 2 plan. | Not a cumulative measure. | 100% = DRR project in 1 ward, assisted contingency plan for specific risk, info captured on DMIS. Lusaka project completed. | N/A |

[90] Data not available for previous years, as fire and other incidences were calculated together previously.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 3.4.3.2 Number of disastrous incidents and disasters responded to, as a proportion of requests received. | Community Safety | Responded to all incidents as per requests received. | 07/08 target Respond to all requests. 07/08 achievement Responded to all incidents as per request received. | All incidents per request received. | 31 | 31 | N/A | N/A |
| 3.5 Promote viable (sustainable) communities by establishing mixed human settlements with social and cultural programmes | 3.5.1 Provide cultural facilities and programmes | 3.5.1.1 Number of visitors to cultural facilities[91] as a proportion of the total population (% of the population that visited a cultural facility). | SRAC | 175,000 | 06/07 achievement 35,000 visits to museums and 4,000 to art galleries. 07/08 target 40,349 as per the SDBIP. 07/08 achievement 37,775 visits to museums and 3,559 to art galleries. | 33,797 | 46,938 | 127,272 | N/A | N/A |
| | | 3.5.1.2 Number of cultural programmes offered. | SRAC | 5 | Targets- refer to 3.5.2.2 below | 5 | 7 | 14 | N/A | N/A |

[91] This only reflects City of Tshwane owned and managed Art Galleries and Museums. This excludes Heritage Sites because the records of visitors are not kept.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 3.5.2 Provide educational facilities and programmes | 3.5.2.1 Number of visits to the library per capita (that is total number of visitors to libraries/by total population).<br><br>(Total population 2,345,908) | SRAC | 171,6%<br><br>4,026,000 total number of visitors. | 07/08 target<br>Not an 07/08 target on SDBIP.<br><br>07/08 achievement<br>97,2%[92]<br><br>2,279,868 visitors. | 1,06 visits per capita.<br><br>2,500,000 library visitors. | 1,02 visits per capita.<br><br>2,393,903/2,345,908 | Not a cumulative measure. | Decline in membership due to old stock, slow network lines, libraries closed due to renovations - proposal by the department to terminate the payment of membership fees | New calculation per capita - previously total of visitors. Method of calculation to be investigated. |
| | | 3.5.2.2 Number of educational programmes offered. | SRAC | Maintain or increase baseline. | 07/08 target<br>5<br><br>07/08 achievement<br>18 (including arts, cultural etc programmes. In the 2007/08 financial year this was a combined target with 3.5.1.2 above, as well as sports programmes. | 5 | 8 | 26 (including arts, cultural and sports programmes). | Computer training and ABET training at different libraries are ongoing. Authorship, reading programmes and information literacy will take place April – June. | Departmental submission reports differ in recorded values – to be investigated. |

[92] Proportion based on total population figure of 2,345,908 in Tshwane, as per STATS SA figures released 11 March 2008 (i.e. Community Survey results 2007).

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 3.5.3 Provide Sports facilities and programmes | 3.5.3.1 Occupation level of sports facilities (that is the total number of days booked/the total number of sports facilities). | SRAC | Increase the occupation levels of facilities = 29450 | 07/08 target 22000<br>07/08 achievement 25,275 | 27,500 | 42,714 | 67,989 | Target exceed | N/A |
| | | 3.5.3.2 Number of sports development programmes offered. | SRAC | 12 | 07/08 target 12<br>07/08 achievement 12 | 12 | 25 | 37 | N/A | N/A |
| | 3.5.4 Provide recreational facilities and programmes | 3.5.4.1 Number of visitors to recreational facilities as a proportion of the total population. | Agriculture and Environmental Management | Maintain or improve baseline[93]. | 07/08 target Not an 07/08 target<br>07/08 achievement 635,390 | 476,541 | 746,315 | 1,339,705 visitors to recreational facilities over the past two years out of the approximately 2.3M population of City of Tshwane. | N/A | N/A |
| | | 3.5.4.2 Number of recreational programmes offered. | AEM | Maintain or improve baseline[94] | 07/08 target 15<br>07/08 achievement 15 | 16 Maintain or improve baseline | 172[95] | 187 | N/A | N/A |

[93] Facilities where people pay.
[94] Facilities where people pay.
[95] Includes Bus tours = 16; Guided trails = 23; Game drives = 13; Group Activities = 63 in quarter 4

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 3.6 Promote environmental sustainability | 3.6.1 Provide conservational facilities | 3.6.1.1 Ha of conservational facilities managed. | Agriculture and Environmental Management | Maintain the City's natural heritage. | 07/08 target 16 000 Ha<br><br>07/08 achievement 16,000 Ha | 16 000 Ha | 16,000 Ha | 16,000Ha p/a | N/A | N/A |
| | | 3.6.1.2 % of applications commented on from an Open Space perspective within 30 days. | Agriculture and Environmental Management | To be finalised. | Not an 07/08 target. | 80% | 66% | NA | The APS applications are commented on electronically. The APS applications could not be commented on consistently during the year as the system experienced some technical difficulties. | Percentage target not reached but reprioritising is taking place within the Section to bring all application comments up to date as soon as possible. |

## 4 FOSTER PARTICIPATORY DEMOCRACY AND BATHO PELE PRINCIPLES THROUGH A CARING, ACCESSIBLE AND ACCOUNTABLE SERVICE

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 4.1 Optimise effective community participation in the ward committee system | 4.1.1Petitions management | 4.1.1.1<br>Number of petitions finalised as a proportion of nr received per period. | EMCM<br><br>Office of the Speaker | Finalise 80% of petitions received within six months of receipt. | 07/08 target<br>Finalise 75% of petitions received<br><br>07/08 achievement<br>103 petitions received<br>73 finalised`<br>= 70.87%<br><br>06/07 achievement<br>94 received<br>61 finalised=<br>64.89% | Maintain or increase baseline. | 54 out of 106 finalised<br>= 50,9% | 188 finalised out of 303=<br>62% average | The petitions process is dependent on departments. | Improved monitoring of the petitions process by the Office of the Speaker, due to dependencies on departments. |
| | 4.1.2 Ward committee support | 4.1.2.1<br>Number of community members attending ward committee meetings(IDP and budget). | EMCM<br><br>Office of the Speaker | Increase the number of community members attending consultative meetings by 5% p.a. | 07/08 target<br>413<br><br>07/08 achievement<br>60 at zonal level | Maintain or increase baseline. | 272 | Data not available as many meetings are mass meetings, where registers have not been taken. | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 4.1 Optimise effective community participation in the ward committee system | 4.1.3 Community participation on key issues (budget, IDP, by-laws) | 4.1.3.1. Number of needs registered on the IDP Needs Data-base. | EMCM | Capture all needs raised during the IDP needs identification processes. | 07/08 target Capture all needs.<br><br>07/08 achievement 4553 needs registered on the IDP Needs register for 2006-2011 cycle.<br><br>100% of those received. | Capture all needs raised during the IDP needs identification processes. | 717<br><br>100% of those new needs received | 5,270 needs captured as published in the IDP 2009/10. | N/A | N/A |
| | 4.1.4 Stakeholder management | 4.1.4.1 Number of meetings scheduled to take place with essential stakeholder forums per annum per forum: public hearings. | EMCM<br><br>Speakers Office | Public hearings (attendance registers 4 pa) | 07/08 target 4 pa<br><br>07/08 achievement 4 | 4 | 12[96] | 16 | N/A | N/A |
| | | Youth | EMCM Governance | 4pa | 07/08 target 4pa<br><br>07/08 achievement 4 | 4 | 2 | 6 | Some meetings were cancelled due to the elections. | Targets in new year have been developed taking into consideration other annual events. |
| | | Womens organisations | EMCM Governance | 4pa | 07/08 target 4pa<br><br>07/08 achievement 4 | 4 | 2 | 6 | Some meetings were cancelled due to the elections. | Targets in new year have been developed taking into consideration other annual events. |

[96] Includes those held by Legal and 2010, ICD, SAPS, IEC, Finance and EMCM, SRAC, DoH, SRAC, Environmental Management, City Planning and GDACE.

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Business Community | EMCM Governance | 4pa | No 07/08 target on SDBIP | 4 | Economic Development: 45 Stakeholder meetings[97] | 45 | N/A | N/A |
| | | City Developers | City Planning Development and Regional Services | 2pa | 07/08 target 4pa<br>07/08 achievement 2 | 2 | 2 | 5[98] | N/A | N/A |
| | | 'Nongovernment organisations/ 'community-based organisations (religious forum) | EMCM Governance | 4pa | 07/08 target 4pa<br>07/08 achievement 4 | 4 | 1 | 5 | Some meetings were cancelled due to the elections. | Targets in new year have been developed taking into consideration other annual events. |
| | | Communities (imbizos) | EMCM Governance | 4pa | 07/08 target 3pa<br>07/08 achievement 3<br>06/07 achievement 3 | 4 | 3 | 9[99] | ED:first quarter Imbizo did not take place; Imbizo for third quarter would have taken place on 1 April 2009, but all Imbizos were cancelled. | 1 Imbizo planned for 1 July 2009. |
| | | Labour | CSS | 4pa | 07/08 target 4pa<br>07/08 achievement 1 | 4 | 4 | 5 | Meetings held quarterly | N/A |

[97] (June 2009: 9 - TBSA, Global Insight Conference, Provincial Treasury Socio-Economic Review Conference, Tshwane Informal Traders Working Committee, Tshwane SMME and BEE Conference, TITIIC 2009, Tshwane Skills for the Economy Seminar, Tshwane Co-operatives Seminar, Tshwane Co-operatives Committee); 4 Meetings held with CDWs and LED Working Group, Eastern Region Development Summit, SANIEF, GAMSKAP, IGR, CITY OF TSHWANE-UP PIC, Rosslyn Development Forum, TBSA, Gauteng Province on PLATO project, UYF, TSHWABAC, SEDA), 19 up to December 2008; DPLG planning meeting and Gauteng Provincial Government Focus Group on SMME Development meeting. Note: (a) Economic Development held its inaugural meeting with the Tshwane Business Council (b) Economic Development partnered and participated in the first Entrepreneurship Day event hosted by SEDA. Economic Development held its inaugural meeting with the Tshwane Business Council
2. Economic Development partnered and participated in the first Entrepreneurship Day event hosted by SEDA

[98] 06/07 achievement=1

[99] 06/07 achievement = 3

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 4.2 Batho Pele | 4.2.1 Respond to customer complaints | 4.2.1.1<br>Number of customer complaints received per function. | CSS | Decrease customer complaints per function by 1% p.a. | 07/08 target<br>Decrease of 15%<br><br>07/08 achievement<br>06/07 number of complaints= 1,090,309<br><br>07/08 complaints = 1,003,022<br><br>= 8% decrease | 1,029,180 | 1,058,420<br><br>An increase of 5,539 from 07/08 | Not applicable, as the purpose of this indicator is to reduce complaints year on year. | The reasons for increased complaints are still to be analysed further, especially since some are return calls. | The target to be properly coordinated and the responsible departments to be identified to address causes of complaints. |
| | | 4.2.1.2<br>% of customer requests/complaints dealt with within 48 hours of receipt at customer front offices. | CSS is the core department. | Maintain or improve baseline. | No 07/08 targets<br><br>90% achieved in 06/07 | 90% | Corporate and shared services: 97% | N/A | N/A | N/A |
| | | 4.2.1.3<br>Number of customers visiting customer front offices. | CSS | 730,000 | Achieved 06/07<br>517,888<br><br>07/08 target<br>816,544<br><br>07/08 achievement<br>615,966 | 653,288 | 665,611 | 1,799,465 | N/A | N/A |
| | | 4.2.1.4<br>Number of calls received by call centres | CSS | 180,000 | 06/07 achievement<br>180,000<br><br>07/08 target<br>539,388<br><br>07/08 achievement<br>432,525 | 375,900 | 512,558 | 1,125,083 | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 4.2 Batho Pele | 4.2.2 Ensure courtesy | 4.2.2.1<br>Number of customer service front offices with Batho Pele Operating Procedures. | CSS | All service points have introduced Batho Pele Standards. | 07/08 target<br>23<br><br>07/08 achievement<br>23 | 25 | 25 (walk in system) | Not a cumulative measure | A Batho Pele implementation template was developed and will be communicated in the 1st quarter 2009/10. Batho Pele Operating Procedures are included as a KPI in score cards of levels 1 to 3. | N/A |
| | 4.2.3 Implement service standards | 4.2.3.1<br>Number of Electricity NRS 048 service standards met as% of total number of service standards<br>Compliance with (quality of service standards. | PWID Energy and Electricity | Adherence to minimum agreed to (NER) standards per function (NRS, etc). | 07/08 target<br>80%<br><br>07/08 achievement<br>76% | 80% | 100% | N/A | N/A | N/A |
| | | 4.2.3.2<br>Number of Electricity NRS 047 service standards met asa percentage of the total number of service standards. | PWID Energy and Electricity | Adherence to minimum agreed to (NER) standards per function (NRS, etc). | 07/08 target<br>100%<br><br>07/08 achievement<br>100% | 80% | 81% | N/A | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 4.2 Batho Pele | 4.2.3 Implement service standards | 4.2.3.3<br>Reaction time to customer queries on water service disruptions. | PWID<br>Water and Sanitation | | 07/08 target<br>Water: 75% in 48 hours<br><br>Sanitation: 80% in 8 hours<br><br>07/08 achievement<br>Water:75% in 48 hours<br><br>Sanitation: 80% in 8 hours | Water 75% in 48 hours<br><br>Sanitation 80% in 8 hours | Water<br>79%<br><br>Sanitation<br>75% | N/A | None provided for sanitation delays. | Implement efforts to improve response times on sanitation queries. |
| | | 4.2.3.4<br>Water quality to SANS 241 | PWID<br>Water and Sanitation | Maintain or improve baseline. | 07/08 target<br>100%<br><br>07/08 achievement<br>99,65% | 100% | 100% | N/A | N/A | N/A |
| | | 4.2.2.5<br>Number of tests performed per period (month/quarter/annum) for water quality. | PWID<br>Water and Sanitation | Maintain or improve baseline. | 07/08 target<br>1,900 tests per month<br><br>07/08 achievement<br>5,825 tests per month | 72,000 | 38,415 | Average of around 72,000 tests conducted in previous financial year.<br><br>And average of 38,415 conducted this year. | A target of 6,000 tests per month, per quarter and per year was set. Depending on the number of samples. | Target per month, per quarter, and per year will be properly aligned for accurate reporting. |
| | | 4.2.2.6<br>% of Complaints reacted to within target reaction time of two days due to dangerous road user situations. | PWID<br>Roads and Stormwater | Maintain or improve baseline. | 07/08 target<br>85% reaction time of two days<br><br>07/08 achievement<br>95% | 90% | 97% | N/A | N/A | N/A |

| KPA | DKPA | DKPI | Department | Five-year target (1 July 2006 to 30 June 2011) | Baseline 2007/08 | 2008/09 annual target | 2008/09 achievements | Achievement against the five-year target from July 2006 to date | Explanation of variance | Corrective actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 4.2.2.7<br>% of complaints related to dangerous traffic signal problems reacted to within one day. | PWID<br>Roads and Stormwater | Maintain or improve baseline. | Not an 07/08 target | 98% | 99,7% | 98% | N/A | N/A |

# 5 TO ENSURE GOOD GOVERNANCE, FINANCIAL VIABILITY AND OPTIMAL INSTITUTIONAL TRANSFORMATION WITH CAPACITY TO EXECUTE ITS MANDATE

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 5.1 Financial management | 5.1.1 Borrowing management | 5.1.1.1<br>Borrowing to asset ratio (consolidated). | Financial Services | 21,2% | 07/08 target<br>22,4%<br><br>07/08 achievement<br>21,7% | 24,1% | 24.26% | N/A | Actual borrowings and asset figures realised different from anticipated. Various new GRAP standards also influenced the figures. in respect of PPE. | |
| | 5.1.2 Billing of rateable properties | 5.1.2.1<br>% of total rateable properties billed[100]. | Financial Services | 98% | 07/08 target<br>382,200 out of 390,000<br><br>07/08 achievement<br>360, 000 out of 390,000 | 98% | 96% | | | |
| | 5.1.3 Debt management | 5.1.3.1<br>Debt coverage as per IDP regulations 2001<br><br>A=(B-C)/D[101]. | Financial Services | 18.8 | 07/08 target<br><br>12.9 reduced to 7.5 in adjustments budget<br><br>07/08 achievement<br>9 | 11.4 | 15.4 | N/A | | |

[100] Nr of properties billed for property tax per period/total nr of properties on the property evaluation roll.
[101] A= Debt Coverage, B= total operating revenue received, C= operating grants, D= debt service payments due within the financial year

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 5.1.3.2<br>Outstanding debtors to revenue as per IDP regulations 2001<br><br>A= B/C[102]. | Financial Services | 32% | 07/08 target<br>18,9% as per MTREF reduced to 17% in adjustments budget<br><br>07/08 achievement<br>27,7% | 13,2% | 27,2% | N/A | | |
| | | 5.1.3.3<br>R outstanding debt written off per period. | Financial Services | Maintain or reduce baseline[103] | 07/08 target<br>Reduction of debt written off<br>07/08 achievement<br>R128,13 mil | The City aims to reduce debt written off per period | R187.7M | R315.83M for the past two years | | |
| | 5.1.4 Viability management | 5.1.4.1<br>Cost coverage as per IDP regulations 2001<br><br>A=(B+C)/D[104]. | Financial Services | 0.7 | 07/08 target<br>1.2 adjusted to 0.7 in adjusted budget<br><br>07/08 achievement<br>0,2% | 0.6 | 0.2 | N/A | | |
| | 5.1.5 Expenditure management | 5.1.5.1 Capital expenditure | Financial services | 98% | 07/08 target<br>95% as per IDP<br>98% as per SDBIP<br><br>07/08 achievement<br>85% | 100% | Total: 86,7%<br><br>ELEC: 94,1%<br>HS: 95%<br>RSW:86%<br>ED: 81,20%<br>SRAC: 93%<br>HSD: 27,1%<br>CS:33%<br>Transport: 67,7%<br>AEM: 99,3% | | | |

[102] A= outstanding service debtors, B= total outstanding service debtors, C= annual revenue actually received for services
[103] City of Tshwane does not set targets because it aims to reduce debt written-off per period. This KPI is measured as it comes.
[104] A= cost coverage, B= all available cash at a particular time, C= investments, D= monthly fixed operating expenditure

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 5.1.5.2<br>Operational expenditure | Financial Services | 98% | 07/08 target<br>98%<br><br>07/08 achievement<br>98,8% | 98% | ELEC: 92,5%<br>HS: 100%<br>RSW:124%<br>AEM 119%<br>ED: 99,16%<br>SRAC:91%<br>HSD:85,5%<br>CS: 91,7%<br>Transport: 45,13% | N/A | A number of posts were not filled due to backlogs in HR at Corporate and Shared Services. | Corporate and Shared Services HR division to ensure that it puts in place measures to fill vacancies in good time as per the requirements of departments. |
| | 5.1.6 Revenue management | 5.1.6.1<br>Annual debtors collection rate (% of bills due actually paid) | Financial Services | 98% | 06/07 achieved<br>98%<br><br>07/08 target<br>92%<br><br>07/08 achievement<br>99,7% | 98,3% | 98,1% | N/A | | |
| 5.2 Sound HR management | 5.2.1 Employee development | 5.2.1.1<br>Number of employees trained | CSS | 1,200 annually | 07/08 target<br>1,200p/a<br><br>07/08 achievement<br>8078 | 1,200 | 11,825<br><br>ELEC: 678<br>HS: 104<br>RSW: 535<br>ED:554<br>HSD: 2,179<br>CS:10,316<br>Transport: 12<br>AEM: 1,232 | 19,903 | N/A | N/A |

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 5.2.2 Labour relations | 5.2.2.1<br>% of employee grievances finalised. | CSS | 90% | Achieved 06/07<br>77.77%<br><br>07/08 target<br>70%<br><br>07/08 achievement<br>80% | 90% | 90% | N/A | N/A | N/A |
| | 5.2.3 Occupational Health and Safety | 5.2.3.1<br>Number of IOD's (Injuries on duty). | CSS | <200 annually | 07/08 target<br><200 p/a<br><br>07/08 achievement<br>123 up to end March 2008 | <200 annually | 687 | 810 | Insufficient monitoring and reporting mechanisms of the department to ensure that dependencies on other departments for monitoring purposes are managed. | Mechanisms are to be put in place by Corporate and Shared Services to better coordinate monitoring and reporting on injuries on duty, to improve prevention. |
| | | 5.2.3.2<br>% of departments complying to at least 90% implementation of phase 1 of the Act on Occupational Health and Safety. | Corporate and Shared Services | 100% | Not an 07/08 target on the IDP and SDBIP | 100% | No report from Corporate and Shared Services | N/A | Poor monitoring and reporting by Corporate and Shared Services. | Corporate and Shared Services is to put in place measures to monitor OHSA and to coordinate reporting as required. |
| 5.4 Good governance | 5.4.1 Performance management | 5.4.1.1<br>Number of performance reports submitted within legislated timeframes for approval. | EMCM | All legislated reports | 07/08 target<br>All legislated reports<br><br>07/08 achievement<br>All legislated reports | All legislated reports | All legislated reports | All reports in terms of the MSA and MFMA | N/A | N/A |

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 5.4 Good governance | 5.4.2 Audit | 5.4.2.1<br>Audit qualifications to annual report. | EMCM | Zero | 07/08 target<br>0<br><br>07/08 achievement<br>6 received for the FY06/07 | Zero | 2 received for the FY 07/08<br><br>1 received for 08/09 | 6 in 0607<br>2 in 0708 | Although there was a reduction in qualifications, we did not achieve zero qualifications. | Measures are in place to work on the Action plan drafted to address the audit queries and qualifications. |
| | | 5.4.2.2<br>Number of audit emphases. | EMCM | Zero | 07/08 target<br>0<br><br>07/08 achievement<br>4 received for the FY06/07 | Zero | 1 received for FY 07/08<br><br>2 received for 08/09 | 4 in 2006/07<br>1 in 2007/08 | Other matters raised will have to be addressed to prevent qualifications in future. | Actions are being implemented to ensure that matters of emphasis are addressed. |
| | 5.4.3 Planning | 5.4.3.1<br>Submit the draft IDP for Council Approval by end May 2009. | EMCM | IDP has been approved by the Council in May each year since 2006. | 07/08 target<br>IDP to be submitted to the Council by the end May<br><br>07/08 achievement<br>IDP approved by the Council by end May | Submit the draft IDP for council approval by end May 2009 | Complete | Met legislative deadlines each year | N/A | N/A |
| | | 5.4.3.2<br>Budget is annually approved before the start of a financial year as legislated | Financial Services | 100% compliance as legislated | 07/08 target<br>100%<br><br>07/08 achievement<br>100% | | Complete | Met legislated timelines each year. | N/A | N/A |
| 5.4 Good governance | 5.4.4 ICT | 5.4.4.1<br>% of IT service calls finalised within 24 hours | CSS | 98% | 07/08 target<br>95%<br><br>07/08 achievement<br>Not reported | 95% | 60% | 77,5% average over two years. | None provided. | Each issue raised in incident reports will be attended to. |

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 5.4.4.2<br>Number of functional systems in the City of Tshwane that are fully integrated, for example GIS and SAP as a proportion of total number of systems in the Municipality. | CSS | To be established | 06/07 achievement<br>2 systems integrated<br><br>No targets for the 07/08 year | 60% | 60% | 60% | N/A | N/A |
| | | 5.4.4.3<br>% of internal respondents satisfied with IT services. | CSS | To be established | 07/08 target<br>98% as per SDBIP<br><br>07/08 achievement<br>User satisfaction survey not done therefore no results | 60% | Not reported. | No data available yet. | Need proper mechanisms to measure this. | Service levels with the service provider have been increased. |
| | 5.4.7 Legal services | 5.4.7.1<br>Number of judgments against City of Tshwane | CSS | Decrease number of judgements against City of Tshwane by 1,5% per annum. | 07/08 target<br>Decrease judgements by 5% as per SDBIP<br><br>07/08 achievement[105]<br>Judgements against = 11, judgements for = 30,<br>Settlements = 43. | 5 | Judgments against = 9<br>Judgments for = 10<br>Settlements = 13 | 17 Judgements against<br><br>40 Judgements for<br><br>56 settlements | Not provided. | The reasons for judgements against the City will be investigated by Corporate and Shared Services and relevant preventive measures put in place. |
| | | 5.4.7.2 Number of requirements of the municipal property rates act as a proportion of all requirements, complied with | CSS | 100% compliant | 07/08 target<br>(100%) MPRA implemented as per the SDBIP<br><br>07/08 achievement<br>95% | 100% | 100% | 100% | N/A | N/A |

[105] Claims and collections: Judgements against=5, judgements for =5, settlements = 32.Litigations:Judgements against = 6, Judgements for = 25, settlements = 11.

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 5.4 Good governance | 5.4.8 Risk management | 5.4.8.1<br>% decrease in insurance claims due to controllable events departments. | Financial Services | Reduce controllable insurance claims by 2% per annum. | 07/08 target<br>2% (92 claims)<br><br>07/08 achievement<br>55 claims<br>40% reduction in claims achieved | As per individual departmental target (departments have different targets based on claim history | 23% | N/A | No report from the Financial Services Department. | |
| | | 5.4.8.2<br>% compliance with principles of Gap ANALYSIS by departments. | Financial Services | Implement Risk management practices such that by end 09/10 the city practices reflect international norms, standards and best practice. | 07/08 target<br>Not an 07/08 IDP target | 60% | 61% | N/A | | |
| | | 5.4.8.3<br>% reduction in cost of insurance per annum. | Financial Services | Reduce the cost of insurance by 0,005% per annum. | 07/08 target<br>0,005%<br><br>07/08 achievement<br>22.88% | Reduce the cost of insurance by 0,005% per annum | 2% reduction | N/A | | |
| | | 5.4.8.4<br>Number of departments that apply prescribed risk management procedures as a proportion of all departments. | Financial Services | All departments to comply. | Audit was still to be done in 08/09. | All departments to comply | All departments complied (100%) | N/A | | |
| | 5.4.9 Asset and Facilities management | 5.4.9.1<br>Number of assets on the asset register as a proportion of the total number of assets per department (quarterly measure). | Financial Services | | There were no targets for the 07/08 year. The baseline was to be established in the 08/09 year. | 75% | No report from the Financial Services Department. | N/A | No report from the Financial Services Department. | |

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| 5.4 Good governance | 5.4.9 Asset and Facilities management | 5.4.9.2<br>Operational Expenditure (Opex) on building maintenance of City of Tshwane buildings as a ratio of the replacement value of the City of Tshwane buildings<br><br>Ratio: Total Operational Expenditure (OPEX) on building maintenance (BM) versus total replacement value (RV) of City of Tshwane owned buildings | CSS | To increase the opex on BM from current level (baseline) to 5% of RV of City of Tshwane owned buildings to accepted international norm by 30/06/2013. | 07/08 target<br>No IDP target for 07/08<br><br>07/08 achievement<br>5%[106] | Same calculation as for the baseline, just as at 30/09/2008 | No report from Corporate and Shared Services. | No data currently available. | No report from Corporate and Shared Services. | Mechanisms to be put in place by the City Manager to ensure that all departments comply with reporting requirements. |
| | | 5.4.9.3<br>Number of City of Tshwane buildings compliant with building regulations as a proportion of total City of Tshwane owned buildings<br><br>Ratio: # of BM issues/ criteria addressed versus total # of BM issues/ criteria identified by OCHSA section | CSS | Maintain a level of 95% compliance with OCHSA and building regulations. in respect of City of Tshwane owned buildings. | 07/08 target<br>All municipal buildings structurally analysed as per IDP.<br><br>85% and Akasia buildings 100% as per SDBIP<br><br>07/08 achievement<br>85%<br><br>Akasia buildings 96% | Maintain a level of 95% compliance | 95% | 95% average | N/A | N/A |

[106] Department to determine expected opex on BM as at 30/06/2008. And also determine the RV of all City of Tshwane owned buildings and work-out the proportion based on the above information.

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | 5.4.10 Fleet management | 5.4.10.1<br>Number of fleet vehicles leased as a proportion of nr of fleet vehicles owned<br>Ratio: # of leased vehicles versus total # of fleet (City of Tshwane owned and leased) units. | CSS | Maintain or increase the number of leased vehicles | 07/08 target<br>Determine and supply the # of fleet owned and leased vehicles as at 30/06/2008<br><br>07/08 achievement<br>Owned 2500<br>Leased 1000<br>Hired 75<br>Required 3575 | Same calculation as for the baseline, just as at 30/06/2009 | 808 | N/A – in yr measures | N/A | N/A |
| | | 5.4.10.2<br>R operating cost per fleet vehicle.<br><br>Ratio: Total operating costs versus # of vehicles | CSS | Decrease the operating cost per vehicle | 07/08 target<br>R126,400 for owned vehicles and R175,800 for leased vehicles as per the SDBIP<br><br>07/08 achievement<br>Not reported | R345,7 million Per annum | R9958 million (average per vehicle = R33,484) | R33, 484 average per vehicle – no data available for previous years. | Increase in operating cost that is fuel, spare parts, services, tyres and licences. | Compilation of data will be investigated. |
| | 5.4.11 Administrative services | 5.4.11.1<br>R cost of administrative services to total operating expenditure | CSS | Maintain or reduce baseline | 07/08 target<br>No IDP target for 07/08<br><br>07/08 Achievement<br>6,39%<br><br>R735 272 901/ R11 499 385 191 | Maintain or reduce baseline. | No reporting from Corporate and Shared Services. | No data available. | Not provided | Mechanisms to be put in place by the City Manager to ensure that all departments report and implement corrective actions where required. |

| KPA | DKPA | DKPI | Department | 5-year target (1 July 2006 to 30 June 2011) | Baseline | 2008/09 Annual target | 2008/09 Achievements | Achievement against 5 yr target from July 2006 to date | Explanation of variance | Corrective Actions |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 5.4.11. 2<br>Number of departmental file plans that comply with the National Archives Act | CSS | Maintain the amount of departmental file plans that comply with the National Archives (NA) at 100%. | 07/08 target<br>87% adjustments budget target<br><br>07/08 Achievement<br>60% | 100% compliance | CSS:92%<br>(20 plans)<br><br>. | N/A | None provided | Mechanisms to be put in place by the City manager to ensure that all departments who do not meet targets provide and implement corrective actions. |

# 6. PERFORMANCE OF MUNICIPAL ENTITIES

## 6.1 HOUSING COMPANY TSHWANE

### COMPANY INFORMATION

| | |
|---|---|
| Registration number: | 2001/029821/08 |
| Registered address: | 271 Schoeman Street, Shop 7, Ground Floor, Bothongo Plaza West<br>Pretoria<br>0126 |
| Postal address: | PO BOX 11586<br>TRAMSHED<br>0126 |
| Telephone number: | 012 3584496/4469 |
| Fax number: | 086 513 0134 |
| Bankers: | Absa |

### 6.1.1 COMPANY VISION

Housing Company Tshwane seeks to become a leading Social Housing Institution capable of developing and managing quality, affordable rental housing on a sustainable basis.

### 6.1.2 EXECUTIVE REVIEW

#### A INTRODUCTION

Housing Company Tshwane's 2008/09 financial year was characterised by a number of positive and negative events. On the one hand, the company managed to put its governance plans on track, succeeded in developing a project pipeline, and continued to provide affordable accommodation in the City. On the other hand, the non-performing rental housing stock represented by the Schubart Park and Kruger Park estates continued to put a great deal of strain on the company's financial performance and operational effectiveness.

#### B UNITS UNDER MANAGEMENT

The company's book (in terms of units under management) remained unaltered, and this remains an operational handicap since Social Housing Institutions (SHI) in general require a minimum 2,000 units under management to break-even (assuming cost-recovery rentals at least). The rental stock under HCT management at the beginning of the 2008/09 financial year was as follows:

| Housing Project | Number of Units | Condition of Units | Ownership | Managing agent |
|---|---|---|---|---|
| Eloff Building | 91 | Good | HCT | HCT |
| Schubart Park | 813 | Very bad | City of Tshwane | HCT |
| Kruger Park | 319 | Very bad | City of Tshwane | HCT |
| **Total** | **1223** | | | |

## C PERFORMANCE OF RENTAL STOCK

The decommissioning of Kruger Park in July 2008 led to a total rent boycott at Schubart Park in particular, and a total breakdown in relations between the landlord (City of Tshwane, as represented by Housing Company Tshwane) and tenants at these estates. It is therefore necessary to report that some 90% of the total rental stock of 1,223 units performed poorly due to a 100% default rate/rent non-payment at Schubart Park and Kruger Park complexes (Kruger Park was vacated en-masse due to a devastating fire on 22 July 2008). It needs to be emphasized that the City of Tshwane's Housing and Sustainable Development Department played an active role in supporting Housing Company Tshwane during this difficult time, with the result that the company was able to discharge of its mandate sufficiently, albeit within a constrained management environment.

## D NEW PROJECT(S)

2008/09 was a positive financial year despite the company's cash flow squeeze. The planning process for the implementation of the 777-unit Pretoria Townlands project remained on track, with funding applications submitted to the relevant government and private sector role players. The City of Tshwane Council also approved the alienation of the Townlands property in favour of Housing Company Tshwane.

## E GOVERNANCE

As a Social Housing Institution, HCT has since inception been dogged by the absence of a functional governing structure or board of directors. This had a negative impact on the company's potential role and growth. It is therefore encouraging to report that a board of directors was formally appointed on 26 March 2009, and will be effective during the 2009/10 financial year staring on 1 July 2009. Despite the appointment of the board, the 2008/09 audit is likely to qualify the company on governance issues since the board was non-existent for the better part (9 months) of the 2008/09 financial year.

## F CONCLUSION

With the support and guidance of the new board, as well as the continued financial and institutional support of the shareholder, the management of Housing Company Tshwane is committed to rebuilding the company in the next financial year in order to bring the institution to an acceptable level of performance and compliance.

_____

MR MATOME GAFFANE
CHIEF EXECUTIVE OFFICER

### 6.1.3 OVERVIEW OF THE MUNICIPAL ENTITY

Housing Company Tshwane ("HCT") was established as a Section 21 company by the City of Tshwane in 2001.The registration was made in terms of the Companies Act, Act 61 of 1973 as amended. This means that HCT works on a non-profit making basis and all income and property of the HCT, whencesoever's derived, must be applied solely towards the promotion of its main object and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the association or to its holding company or subsidiary.

HCT's mandate is to develop, own, and manage low-medium density social/rental accommodation within the inner city as well as within the restructuring zones as approved by Council. It was established to assist the City of Tshwane to implement its institutional housing programme in general, and Social Housing in particular (note that according to the Housing Act, Act 107 of 1997, institutional housing subsidies may not be administered by a local authority and HCT was established to become the vehicle to access these subsidies).

The company is therefore expected to contribute to the following strategic objective(s) of the City of Tshwane:

| | |
|---|---|
| Strategic Objective 1: | To provide quality basic services and infrastructure |
| City KPA 1.1 | Eradicate/Reduce infrastructure backlogs |

### 6.1.4 PERFORMANCE HIGHLIGHTS 2008/09

- Continued to successfully manage ELOFF building, a fully-let, 91 unit residential block owned by Housing Company Tshwane.
- Managed 1,134 rental units at Schubart Park and Kruger Park on behalf of the City of Tshwane. From 1 August 2008, however, only Schubart Park (813 units) was under HCT management since the de-commissioning of Kruger Park due to a fire. Schubart Park continues to be a very difficult place to manage due to incessant illegal flat occupations, vandalism and non-payment of rent.
- Secured the rights to project development land (Townlands) from the City of Tshwane.
- Participated in the Interim Social Housing Programme (ISHP), with the result that the proposed Townlands project (777 Units) was submitted for funding under the restructuring grant programme.
- Development of a project pipeline (new housing projects) in conjunction with the City of Tshwane's Housing Settlement and Development Department.
- Active participation in external stakeholder programmes (for example South African Local Government Association, National Social Housing Programme)

## RENTAL/SOCIAL HOUSING PROVISION

| Department KPA | Programme projects/ activities | Indicators | Five-year target | 2008/09 target | 2008/09 achievement | 2009/10 target | Comments and /or corrective actions where applicable |
|---|---|---|---|---|---|---|---|
| Provide property management services at ELOFF, Schubart and Kruger Parks | Provide a continuous sustainable rental housing service to meet the growing demand | Affordable rentals<br><br>Safe, clean and sustainable housing environment | Target market serviced 100% in terms of indicated activities | 90% | 100% (Eloff)<br><br>50% Schubart Park | 100% | Eloff project sustainable, but Schubart- Parks remains doubtful. Due for refurbishment |
| | Repair and maintain existing services | Infrastructure spend (upgrade and replace) | Increase CAPEX to grow # units under management | 80% | 30% | 80% | Preventive maintenance essential |
| | | R5 500 000,00 spent on operational maintenance (OPEX) at Schubart-Kruger Parks | Reduce OPEX as more quality services are provided | Reduce OPEX to below 40% of collectable revenue | Did not achieve any reduction | 100% | Increased maintenance demands at Schubart-Kruger Parks |
| Comply with minimum housing services standards as required by law | Manage quality of rental housing | Decrease in # complaints regarding rental housing units in the City of Tshwane | | 100% | 80% | 100% | Safety and health issues at Schubart-Kruger Parks, buildings unsafe for human habitation |
| Develop viable communities | Give preference to local vendors to provide non-specialised service | % of local vendors used for non-specialised services | | 100% | 100% | 100% | All outsourced services aimed at empowering and developing local communities |
| Service customer complaints | Respond/manage customer complaints | Number of customer complaints | | 100% | 80% | 100% | Capacity constraints, but largely due to complaints without a legal basis (for example illegal tenants) |
| Capital expenditure | | % of CAPEX spent | | - | - | Not yet determined | Project pipeline not yet approved by board. |
| Manage OPEX | | % of OPEX spent | | 100% | 100% | 100% | Contingent on board approval of HRD plan, staff appointments and training |
| Human resource development | | Number of employees trained | | None | None | Comply with legislation and add value to operations through human resource development | Only contract staff at Company. No board to approve and monitor implementation of HR development programme |
| | Implement workplace skills plan | % of operating budget spent on implementing the workplace skills plan | | 60% | 20% | 60% | Work in progress. New staff expected 2009/10 |
| All incidences of fruitless and wasteful expenditure and the R value | Ensure departmental compliance with legislation and no audit qualification | Number of incidences of fruitless expenditure | No fruitless or wasteful expenditure | 100% | 100% | 100% | |

| Department KPA | Programme projects/ activities | Indicators | Five-year target | 2008/09 target | 2008/09 achievement | 2009/10 target | Comments and /or corrective actions where applicable |
|---|---|---|---|---|---|---|---|
| thereof | | | | | | | |

## 6.1.5 HUMAN RESOURCE MANAGEMENT

### A STAFF INFORMATION

| Key function (as per organisational structure, for example planning; connections etc.) | 2008/09 | | 2009/10 | |
|---|---|---|---|---|
| | Number of posts | Number of posts filled | Number of posts | Number of posts desired |
| Management | 3 | 2 | 4 | 4 |
| Administration | 3 | 2 | 7 | 5 |
| Field staff | 8 | 4 | 8 | 6 |
| TOTAL | 14 | 8 | 19 | 15 |

### B DISCLOSURES CONCERNING BOARD MEMBERS FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009

**Note:** Board of Directors for the company was appointed on 26 March 2009.

### C HUMAN RESOURCE PRACTICES AND POLICIES

HCT follows the City of Tshwane's HR practices and policies)

#### Employment Equity

| | Male | | | Female | | | | White Male | Foreign Nationals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | A | C | I | W | W | Male | Female | |
| Senior officials and managers | 3 | | | | | | | | | | 3 |
| Clerks | 1 | | | 3 | | | | | | | 4 |
| Caretakers | | | | 2 | | | | 2 | | | 4 |
| Craft and related trades workers | 3 | | | | | | | | | | 3 |
| GRAND TOTAL | 7 | | | 5 | | | | 2 | | | 14 |

| | Male | | | Female | | | | White Male | Foreign Nationals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | A | C | I | W | W | Male | Female | |
| Senior management | 3 | | | | | | | | | | 3 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 7 | | | 2 | | | | 2 | | | 11 |
| GRAND TOTAL | 10 | | | 2 | | | | 2 | | | 14 |

### Skills Development

No individuals were trained in terms of skills priorities hence no expenditure was incurred during the year. A total of R8,694.79 was paid in skills levies to the SDL FY2008/9. A total of R000,00 (zero rands) was claimed back in terms of Grant C FY2007/8.

### Occupational Health and Safety

There were no injuries on duty.

### Pension Funds

There is currently no pension and/or provident fund benefits for Housing Company Tshwane staff members.

### Medical Aid Funds

Housing Company Tshwane staff members do not belong to any medical aid scheme. The company does not currently contribute to the employees' medical expenses.

### Amounts owed by HCT for service charges

City of Tshwane is owed R59,321.39 by Housing Company Tshwane.

**Assessment of Directors and senior managers' municipal accounts**

| Name of director/ senior manager | Designation | Name of municipality | Municipal account name and account number | Account status | Comments |
|---|---|---|---|---|---|
| M. Gaffane | CEO | Tshwane | M and MP Gaffane | Active | Not in arrears |
| TM Moyo | Finance Manager | Johannesburg | TM Moyo | Active | Not in arrears |
| RT Chauke | Property Manager | Johannesburg | RT Chauke | Active | Not in arrears |

## 6.1.6 PLANS FOR THE NEXT FINANCIAL YEAR.

The following table summarises the company's 3-year plan to increase rental stock under management, and to increase revenue from property management operations:

### Strategic goal 1: Procure sufficient stock to meet critical mass

| Long-term | 2009/10 objective | 2009/10 Activity | KPIs | 2010/11 | 2011/12 | 2012/13 | 2012/13 |
|---|---|---|---|---|---|---|---|
| Develop and manage 2500 units | New project pipeline developed | Board approval | Develop project pipeline | 750 Townlands units | 100 units at in-fill sites (for example Timberland) | 500 units | 400 units |
| Acquire and manage City rental stock | Plans: Refurbish Schubart-Kruger Parks, potential 1134 units | Council and board approval | Final refurbishment plans<br><br>Council resolution | 1134 units refurbishment process underway | 1134 units refurbished and managed by HCT | Other municipal stock under management | Other municipal stock under management |
| Secure land and/or buildings for future projects | Townlands land released, potential 770 units | *Deed of grant for Townlands<br>*Appoint Project manager<br>*Tender process initiated | Council resolution to transfer land<br><br>Signed deed of grant | Timberland ground released, potential 100 units | Other land/buildings | Other land/buildings | Other land/buildings |

### Strategic goal 2: Manage procured stock efficiently and effectively

| Long-term | 2009/10 objective | 2009/10 Activity | KPIs | 2010/11 | 2011/12 | 2012/13 |
|---|---|---|---|---|---|---|
| Efficient property management | Acquire property management system relevant to HCT's property management needs. | Secure funding<br><br>Initiate tender process<br><br>Select system | Submit funding application<br><br>Publicise tender document<br><br>Purchase and implement system | Evaluate property management system | Improve PMS | Improve PMS |
| 100% occupation rate | Implement property management policies<br><br>Review rental structure<br><br>Manage vacancy rate | Review all policies and procedures<br><br>Market vacant units | Board approval of all policies<br><br>Manage demand database | Develop policy for annual review of all policies | Improve demand database<br><br>Bi-annual market survey | A vacancy rate below 5% |
| 100% rent collection | Rental collection policy in place | Tenant education and Training | Board approval | Improved tenant awareness | Improved tenant awareness | Improved tenant awareness |

# 6.2 SANDSPRUIT WORKS ASSOCIATION

## 6.2.1 INTRODUCTION AND OVERVIEW

### A FOREWORD BY THE CHAIRPERSON OF THE BOARD

It gives me pleasure to introduce the 3rd documented Annual Report which covers the period ending June 2009. The report is evidence of continuing commitment and dedication of the staff and members of the Board of Sandspruit Works Association

The phenomenal progress made in our board meetings for the past few months in conjunction with reports submitted by Sandspruit Works Association has contributed to the excellent service. These improvements, including an unqualified audit opinion along with the support from City of Tshwane Water and Sanitation Division, are testament to our commitment to deliver world-class customer services.

Significant amount of work has been done, which has become a source of commitment and enthusiasm for many and has shown compounded progression with setting basic standards, policies and strategic implementation. This should prove beneficial in creating an atmosphere of assurance that Sandspruit Work's Association is conscientiously addressing water problems and continue to provide effective and efficient service to community.

_____
PASTY MALEFO
BOARD CHAIRPERSON

## B EXECUTIVE REVIEW BY MANAGING DIRECTOR

This report outlines the key challenges and experiences encountered by Sandspruit Works Associations for financial year (2008/09). During the past financial year the world was impacted materially by an economic knockdown which affected Sandspruit Works Associations accordingly, due to the nature of service rendered by Sandspruit Works Associations directly to the community.

Revenue collection decreased marginally during the period and all efforts are made to limit any further decreases in collection ratios. However, Sandspruit Works Associations will continue to strive to deliver better services by ensuring that both paying as well as free water recipients receive the same commitment.

Particularly pleasing was the reduction of unaccounted for water to 27.98% in the Tshwane area of supply, being managed on a day to day basis. Despite population growth increase in the area the water purchase is below the budget by 5.94%.

While Sandspruit Works Associations has discontinued its service to Madibeng Local Municipality, City of Tshwane has been persistent in its effort to engage support to Sandspruit Works Associations.

It suffices to conclude that Sandspruit Works Association reaffirms its commitment to service excellence and will continue to proudly service the community on behalf of the Water Service Authority and will endeavor to achieve significant performance.

_____
MATSEPELA TAETSANE
MANAGING DIRECTOR

## C OVERVIEW

Sandspruit Works Association currently undertakes the water provision and sanitation services function in designated areas on behalf of City of Tshwane Metropolitan Municipality and Madibeng Local Municipality and therefore has the function of a Water Services Provider (WSP) in terms of the Water Services Act (Act 108 of 1997). The principal activity of the company is to develop, prepare, install and maintain water and sanitation services and related services to these designated areas. It also fulfils the complete Financial, Marketing and Human resources functions. Sandspruit Works Association is currently a Section 21 Entity, and with effect from the 1st July 2005, became a Business Enterprise of the City of Tshwane Metropolitan Municipality.

The legislative framework within which water supply and sanitation services take place is mainly provided by the Water Services Act (Act 108 of 1997) (WSA Act).

### Role of Sandspruit Works Association

The water provision function is currently undertaken by Sandspruit Works Association on behalf of City of Tshwane.

The water services provision functions currently undertaken by Sandspruit Works Associations include the following:

- Daily operations;
- Maintenance;
- Customer relations;
- Health and hygiene promotion;
- Contract management;
- Financial management;
- Planning;
- Monitoring and reporting;
- Training and development of staff;
- Human resource management; and
- Network system.

## 6.2.2 PERFORMANCE HIGHLIGHTS

The main strategic goals during the 2008/09 were the following:

- The optimisation of revenue collection by using incentives to encourage payments, increasing the number of payment methods, increasing the billing coverage and vigorously implementing the credit control policy and bylaws through effective implementation of the existing legal processes.
- Increasing the number of paying consumers by improving better communication and better relationship with consumers.
- Reduction of cost through reduction in physical and bulk losses to reduce UAW.
- Improve service delivery to community through best practices.
- Reduction and/or control of expenditures mainly through the control of overhead costs using effective systems.
- Alignment of structure with organisational strategy.
- Counteracting wasteful water practices through education and awareness campaigns.
- Raising the level of awareness of consumers about hygiene and environmental health in compliance with the regulatory requirements.
- Continual development of the required strategic skills from managerial levels to lower levels.
- Identify and manage operational and financial risks within the existing regulatory framework/environment.
- Manage and maintain an effective and efficient network system within the total operation of Sandspruit Works Associations.

In most cases, Sandspruit Works Association was successful in reaching the goals as set in the 2008/09 business plan, but due to the continuous demand nature of the industry, most of the goals will still be part of the strategy document of Sandspruit Works Associations for the next financial year.

## A OPERATIONAL

| Description | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|---|
| Number of conventional consumers | 52 781 | 56 836 | 60 952 | 62 236 |
| Registered indigents | 4 624 | 4 634 | 5 350 | 8 959 |
| Number of KL Water purchased | 26 152 122 | 26 059 281 | 25 207 373 | 26 427 836 |
| Number of KL Water distributed | 25 954 122 | 25 690 081 | 24 771 629 | 24 750 227 |
| % Bulk loss | 0,8% | 1,4% | 1,7% | 6,3% |
| Number of KL sold | 16 296 369 | 17 864 301 | 18 048 462 | 19 939 287 |
| % KL lost in distribution | 36,9% | 30,1% | 26,7% | 18,2% |
| % UAW Total | 37,7% | 31,5% | 28,4% | 24,5% |
| Indigent Debt Outstanding | R 7 405 000 | R 9 439 000 | R 8 342 000 | R 4 387 012 |

The improvement/maintaining of the quality of water delivered was high on the priority list. To this end Sandspruit Works Associations installed 9 water-testing points and have started a process of interim dosing at strategic reservoir points.

Sandspruit Works Association manages the water services network in the following areas:

| Area | Number of Conventional Connections | Annual Kiloliters Supplied (Conventional) |
|---|---|---|
| City of Tshwane | | |
| Ga-Rankuwa | 20 030 | 3 993 186 |
| Mabopane | 19 413 | 4 685 617 |
| Winterveld | 7 488 | 1 227 400 |
| Total | 46 931 | 9 906 203 |
| Madibeng Municipality | 15 305 | 2 301 216 |
| Total | 62 236 | 12 207 419 |
| Prepaid | 817 | 67 906 |
| Authority Billing | | 7 821 841 |
| Grand Total | | 20 097 166 |

### Network

- Continuity of supply – No major disruptions occurred during the year, only a minor pipe burst took place as a result of the age of the network.
- Quality – The quality of water during the year was of a very high standard, and regular tests were performed to ensure that only pure water is distributed in the network.
- Minimum storage – A minimum supply of 24 hours is stored.
- Supply per day – An average of 70 Ml per day was supplied, including to Madibeng.
- Condition of network – The condition of the network is generally good, although some parts of the network are more than 30 yrs old.

The network is services with 15 operational teams (3 per team) and 6 teams (3 per team) exclusively responsible for meter maintenance and consumer satisfaction.

### Infrastructure

The current water supply service infrastructure statistics are as follows:

| | |
|---|---|
| Storage | 150 ML at 10 reservoirs. |
| Local bulk and reticulation pipes | 1245 km |
| Pressure range | 2 – 19 bars |
| PRV's | 20 on major supply lines. |

### Sanitation Services

The sanitation service to the area has been improved during the financial year. Sound capacity was built and based in Sandspruit Works Association capable of meeting the challenges as set out by Tshwane sanitation department 'with specific reference to the changes to the reporting line with Rand Water not being involved anymore. The preventive maintenance process was improved to minimise breakages/blockages and to be more cost effective. Contractors employed by Tshwane were better managed to perform the maintenance function on the sewer networks.

### Waste Water Treatment

The Waste Water Treatment Section is responsible for waste-water management, which includes the treatment of waste water. The following were among the functions performed:

- Treatment of waste water to prescribed standards set by the Department of Water Affairs and Forestry.
- Ongoing assistance to ensure that new infrastructure is developed and waste-water treatment infrastructure is built in accordance with the latest technology and specifications.
- Chemical and bacteriological analysis (according to the required standards) of water in the waste-water treatment process. The average number of samples analysed per month was 4 000 process samples
- On average, three analyses were done per sample.

- Continuous management and control to ensure optimum availability and performance of the waste-water treatment works.

## B FINANCIAL

| | 2009 | 2008 |
|---|---|---|
| Revenue | R 186 023 918,00 | R 162 221 706,00 |
| Cost of sales | R -121 686 598,00 | R -108 363 508,00 |
| **Gross profit** | **R 64 337 320,00** | **R 53 858 198,00** |
| Other income | R 46 106 428,00 | R 43 872 584,00 |
| Operating expenses | R -134 389 169,00 | R -115 801 794,00 |
| Operating deficit | R -23 945 421,00 | R -18 071 012,00 |
| Investment revenue | R 20 774 748,00 | R 17 162 416,00 |
| Finance costs | R -29 049,00 | R -242,00 |
| **Deficit for the year** | **R -3 199 722,00** | **R -908 838,00** |

Operating revenue consists of the following:

| | | |
|---|---|---|
| Waste Water Income | 31 394 697 | 26 162 867 |
| Water Income | 102 107 030 | 87 372 001 |
| Rendering of services | 52 522 191 | 48 686 838 |
| **Total** | **186 023 918** | **162 221 706** |

## C GOVERNANCE

### Board of Directors

During the year, all the directors from the City of Tshwane resigned in terms of the Municipal Finance Management Act. The directors of the company to date of this report are as follows:

- NM Malefo Non-Executive Chairperson
- KH Sekhokho Non-Executive Member
- M Dooms Non-Executive Member
- ME Makgato Non-Executive Member
- MJ Taetsane Executive Member appointed 11/09/2008

The Board of Directors therefore is of a unitary structure comprising four non-executive directors, all of whom are independent directors. The Chief Executive Officer was appointed as an executive director of the company during the year (11/09/2008).

### Corporate Governance

The Board of Directors is committed to business integrity, transparency and professionalism in all its activities and supports the highest standards of corporate governance. The Board therefore confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct laid out by the King Report on Corporate Governance for South Africa. The roles of the Chairperson and Managing Director are separate so that no individual has unfettered powers of decision.

The board of directors has met on 5 separate occasions during the financial year, and the average attendance was well over 90%. The Chief Executive Officer and Chief Finance Officer attended all of the meetings.

## 6.2.3 HUMAN RESOURCES

### A STAFF COMPLEMENT

The Staff complement consists of the following:

| Key function (as per organisational structure, for example planning; connections etc.) | 2008/09 | |
|---|---|---|
| | Number of posts | Number of posts filled |
| Risk &Training | 5 | 4 |
| Finance | 85 | 59 |
| Regional Manager | 6 | 5 |
| Operations | 111 | 99 |
| Waste Water | 60 | 49 |
| Human Resources | 12 | 8 |
| Marketing | 41 | 27 |
| Total | 320 | 251 |

### B INDUSTRIAL RELATIONS

The following regulates Sandspruit Works Associations industrial relations environment:

- A Recognition Agreement and an Essential Services Agreement between Samwu and Sandspruit Works Associations.

- A Central Bargaining Forum constituted of worker representatives and representatives from management.

The workers' representatives meet with management once a month to discuss pertinent HR issues. In general, Sandspruit Works Association maintains a very cordial relationship with Samwu and its members. Over the past three years there has been no industrial action.

## C EMPLOYMENT EQUITY

Sandspruit Works Association complies with the Employment Equity Act, 1998 (Act 55 0f 1998). Of the total of 251 staff employed, 97.08% are African, 0.37% are coloured, 0.73% are Indian and 1.83% are White.

## D SKILLS DEVELOPMENT

A total number of 162 individuals were trained in terms of skills priorities. The total expenditure on training for various skills priorities was R948,002.

| OCCUPATIONAL CATEGORY | TOTAL |
|---|---|
| Clerks | 20 |
| Craft and related trades workers | 64 |
| Legislators, senior officials and managers | 0 |
| Plant and machine operators and assemblers | 30 |
| Professionals | 0 |
| Technicians and associated professionals | 5 |
| Elementary occupations | 43 |
| Grand Total | 162 |

The skills development plan is identified through a training matrix and implemented accordingly, the performance is illustrated below:

| Description | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|
| Bursaries allocated | 3 | 2 | 1 |
| Number of people trained ito. skill priorities | | | |
| • Management and Leadership | 50 | 69 | 0 |
| • Client Services | 29 | 37 | 0 |
| • Information Technology | 0 | 60 | 45 |
| • Technical | 0 | 138 | 78 |
| • Life Skills and ABET | 26 | 41 | 39 |
| • Financial | 14 | 29 | 0 |
| Training Costs | R 944 605 | R 1 315 278 | R 948 002 |

| | | | |
|---|---|---|---|
| Learnerships | 6 | 16 | 10 |

**Skills levies:**

- A total of R292,363.51 was paid in skills levies to SETA FY2006/07
- A total of R82, 860.73 was claimed back in terms of Grant C and D FY2006/07.
- A total of R313,218.98 was paid in skills levies to SETA FY2007/08.
- A total of R367,942 was paid in skills levies to SETA FY2008/09.

## E OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Manager was appointed. Nine (9) accidents of a minor nature were reported during the year.

## F DISCLOSURE

### Employee cost

The employee cost for the 2008/09 financial year consisted of:

| Description | Amount |
|---|---|
| Basic salaries | 35 301 627 |
| Bonus | 2 958 613 |
| Medical aid | 3 024 911 |
| UIF | 241 469 |
| SDL | 367 561 |
| Workmen's Compensation | 275 810 |
| Leave pay Provision | 702 574 |
| Group Life Insurance | 1 382 899 |
| Housing Bond | 536 961 |
| Provident Fund | 2 250 970 |
| **Total** | **47 044 205** |

### Salary of the Managing Director

| Description | Amount |
|---|---|
| Basic | 688 424 |
| Bonus | 40 000 |
| Car Allowance | 113 436 |
| UIF, Pension etc | 20 308 |
| Phone Allowance | 9 104 |

| Description | Amount |
|---|---|
| Housing Allowance | 4193 |
| Non Pensionable Allowance | |
| **Total** | **875 465** |

**Board of Directors**

| Description | Amount |
|---|---|
| K H Sekhoko | R 27 000 |
| M Dooms | R 33 000 |
| M E Makgato | R 28 000 |
| N M Malefo | R 35 500 |
| **Total** | **R 123 500** |

### G FUNDS

A total of 257 employees are part of the provident fund, while 16 employees belong to the Discovery Medical Aid and 228 employees to the Sizwe Medical Aid

## 6.2.3 TARGETS FOR THE 2009/10 FINANCIAL YEAR

### A FINANCIAL

- Increase the collection ratio by 2%.
- Increase expending of critical costs to 97% from 93%.
- Decrease operational costs by 2%.
- Increase the number of paying customers by 5%, based on June 2009 actual.
- Ensure legislative compliance.
- Enhance overall financial performance effectively.

### B HUMAN RESOURCES

- Retain key staff.
- Decrease the time of staff procurement and placement to four months.
- Implement practices to ensure that there is limited to no disputes.
- Facilitate staff training to the value as per the 2009/10 budget.
- Ensure that all disputes and claims are dealt with effectively within three months.
- Achieve acceptable equity levels in management and disability.
- Improve staff utilisation.
- Harmonize, integrate policies and procedures.

- Ensure legislative compliance.

#### C LEVELS OF SERVICE

- Ensure the quality of water meets the SANS standards.
- Secure access to all reservoir sites.
- Establish of permanent sampling points.
- Achieve and maintain the network pressures in-between 4 and 6 Bars.
- Install permanent loggers on the critical points in the network and install system to monitor.
- Maintain the existing pressure reducing valves and install additional valves where necessary.
- Ensure adequate bulk water supply in Sandspruit Works Associations water service delivery area.
- Ensure that the 48 hours storage capacity is exist in the reservoirs and plan forward to maintain the storage capacity.
- Improve the response time of allocated jobs

#### D INSTITUTIONAL

- Decrease unaccounted water by 2%
- Finalise agreements with the appropriate Water Service Authorities.

## 6.3 CIVIRELO WATER

### COMPANY INFORMATION

Registration number: 2000/024288/08

Registered address: Postal address: P O BOX 58393. KARENPARK
Telephone number: 011 678 0131

Fax number: 011 4672938

Bankers: ABSA PRETORIA NORTH

Auditors: Auditor-General

### 6.3.1 CHIEF EXECUTIVE OFFICERS REVIEW

Civirelo Water reached its ninth year of operation on 30 June 2009. The company completed 55 capital projects on municipal infrastructure development to the value of R329 million for approximately 46,000

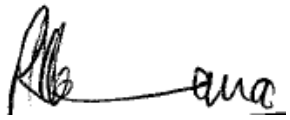
residential sites. The amount spent on infrastructure development for the 2008 – 2009 financial year was R45,047,020.01.
Currently Civirelo Water's Board of Directors comprises four Directors. Two Directors resigned during the 2008/09 financial year. One Director serves as the Acting CEO of the company. This comprises the Board that was appointed in 2006 to ensure compliance with the Municipal Finance Management Act and the Municipal Systems Act.

Although the company was established in terms of the Promotion of Local Government Affairs Act and the mentioned legislation are thus not applicable to the company, the way of mutual agreement was followed to comply with the acts as far as possible, without hampering the operations and the autonomy of the company.

A decision has been taken by the council of City of Tshwane to close the company after all the allocated projects have been completed. Currently Civirelo is implementing various projects as per the agreement with the City of Tshwane (the 2003 Council resolution). The City of Tshwane has mandated a Task team to oversee the deregistration process. The service level agreement between the Company and the City of Tshwane allowed the company to expand their operations to other Municipalities to the benefit of the community.

All the assets in the form of completed projects were handed over to the City of Tshwane on completion date and are in full operation. Payments to the amount of R136 million are outstanding, therefore Civirelo Water is not in a position to complete all the projects listed and agreed on for completion. The target date shifted to June 2010 for completion. This will, depend on the availability of finance from Gauteng Housing and the payment of the top up funding by the City of Tshwane.

The Audit and Performance committee has issued a directive that all outstanding payments be resolved and a date of closure be provided to the committee and to Civirelo.



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**K KEKANA-MOOI**
**ACTING CHIEF EXECUTIVE OFFICER**

## 6.3.2 PERFORMANCE FOR THE YEAR

### A CAPITAL BUDGET

The objectives of the Company are to assist the City of Tshwane in the development of low cost housing for the community. This is done by the active role of the company in the planning process of new developments and the installation of infrastructure. The capital budget for the installation of various infrastructure services in Soshanguve was R60,000,000,00 for the 2008/09 financial year. This budget was compiled with the assumption that payment for services installed amounting to R54 million from external funds would realise and that the invested amount of R50 million would be available from the City of Tshwane for top up funding and bulk services already installed by Civirelo Water.

By December 2008, none of the Gauteng Housing contracts for development of the school sites were signed. Permission was given that Civirelo Water may enter into contracts directly with Gauteng Housing. Four of the nine contracts were concluded between Civirelo Water and Gauteng Housing and payment to the amount of R27 million were received from Gauteng during February 2008. Civirelo Water managed to obtain R26 million during January 2009 from the City of Tshwane as bridging finance for the five contracts.

The company invested R45 million in infrastructure during the 2008/09 financial year which is 100% expenditure on available capital.

| No | Project | Amount |
|---|---|---|
| 1 | Sosh KK and KK Ext Sewer | 245,643.81 |
| 2 | Sosh H Ext,L Ext and M Ext Sewer | 232,846.91 |
| 3 | Sosh KK and KK Ext Roads and SW | 390,294.92 |
| 4 | Sosh Block P Roads and SW | 11,834,349.40 |
| 5 | Sosh Block IA and NN Roads and SW | 10,727,738.69 |
| 6 | Sosh IA and NN Outfall sewer. | 2,097,316.56 |
| 7 | Sosh Block R Roads and SW | 5,230,702.95 |
| 8 | Sosh South Ext 10 Water and Sewer | 263,750,00 |
| 9 | Sosh V and V Ext Roads and Stormwater | 1,343,764.98 |
| 10 | Sosh MM Water and sewer | 704,037.68 |
| 11 | Sosh School sites R and P Water and Sewer | 477,892.47 |
| 12 | Sosh SS Ext 5 Water, Sewer and Stormwater | 3,817,942.77 |
| 13 | Sosh X Ext Roads and Stormwater | 0,00 |
| 14 | Sosh South Ext 10 Roads and Stormwater | 0,00 |
| 15 | Sosh SS Ext 5 Roads and Stormwater | 0,00 |
| 15 | Sosh H Ext,L Ext and M Ext Roads | 239,329.33 |
| 16 | Sosh South I Mineral Claim | 212,629.51 |
| 17 | Sosh South 4 and 5 Roads and SW | 2,450,879.37 |
| 18 | Sosh School sites Roads and Stormwater | 0,00 |
| 19 | Sosh Y Ext and X Ext Roads | 0,00 |
| 20 | Sosh HH,JJ GG School sites Water and Sewer | 129,516.79 |
| 21 | Sosh X,Y,V,T School sites Water and Sewer | 201,573.76 |

| No | Project | Amount |
|---|---|---|
| 22 | School sites Township Planning | 1,327,462.46 |
| 23 | Sosh MM Roads and Stormwater | 0,00 |
| 24 | Sosh Block P Sewer | 105,500,00 |
| 25 | Sosh South 4 and 5 Toilet Structures | 105,500,00 |
| 26 | Sosh South Roads and Stormwater P II | 724,495.17 |
| 27 | Sosh South and TT Roads and Stormwater | 198,156.67 |
| 28 | Sosh T Sewer Remedial Work | 481,442.47 |
| 29 | Sosh South Ext 10 Sewer Phase II | 1,122,183.56 |
| 30 | OH&S | 382,069.88 |
| | **Total** | **45,047,020.11** |

## B FINANCIAL

### Bulk Services and Top up Funding (City of Tshwane)

The total amount due to Civirelo Water by the City of Tshwane is summarised in the table below. [107]

| No | Project | Total Cost | Gauteng | CMIP/MIG/COT | Tshwane |
|---|---|---|---|---|---|
| 1 | Sosh Block H Ext, L Ext and M Ext Sewers | 18,326,709.13 | 8,731,200,00 | | 9,595,509.13 |
| 2 | Sosh Block MM Water and Sewer | 17,759,362.47 | 9,572,620.55 | 4,245,000,00 | 3,941,741.92 |
| 3 | Sosh School sites Connector Water | 3,500,000,00 | 0,00 | | 3,500,000,00 |
| 4 | Sosh IA and NN and Mabopane outfall Sewer | 6,413,532.81 | 0,00 | | 6,413,532.81 |
| 5 | Sosh South and TT Roads and Stormwater | 15,105,700.67 | 0,00 | 10,554,257.01 | 4,551,443.65 |
| 6 | Sosh South Ext 1 Roads and Stormwater PII | 20,161,279.04 | 3,158,838,00 | | 17,002,441.04 |
| 7 | Sosh Block P Roads | 22,168,848.68 | 4,805,900,00 | | 17,362,948.68 |
| 8 | Sosh Block IA and NN Roads and Stormwater | 15,945,836.70 | 7,499,162,00 | | 8,446,674.70 |
| 9 | Sosh Block R Roads | 16,535,329.67 | 2,694,930,00 | | 13,840,399.67 |
| 10 | Sosh South Ext 10 Sewer Phase II | 7,163,596.50 | 2,663,596.50 | | 4,500,000,00 |
| | | 143,080,195.60 | 39,126,247.05 | 14,799,257.01 | **89,154,691.62** |

### Outstanding Payment from Gauteng Housing

The total amount due to Civirelo Water by Gauteng Provincial Government, Department of Housing is summarised in the table below[108].

[107] Excluding interest due and VAT
[108] Excluding interest due and VAT

| No | Project | Sites | Unit Price | Total |
|---|---|---|---|---|
| 1 | Soshanguve Block IA and NN Residential Sewer, Roads and Stormwater | 1871 | 3,298,00 | 6,170,558,00 |
| 2 | Soshanguve Block IA and NN Industrial Sewer, Roads and Stormwater | 965 | 5,234,00 | 5,050,810,00 |
| 3 | Soshanguve Block IA and NN Industrial Planning | 956 | 450,00 | 430,200,00 |
| 4 | Soshanguve H Ext,L Ext and M Ext Sewer | 984 | 1,300,00 | 1,279,200,00 |
| 5 | Soshanguve Block KK Planning | 1708 | 450,00 | 768,600,00 |
| 6 | Soshanguve Block KK Ext 1 and SS Ext 1 Planning | 668 | 450,00 | 300,600,00 |
| 7 | Soshanguve South Ext 4 and 5 Toilet structures P I | 2600 | 2,400,00 | 6,240,000,00 |
| 8 | Soshanguve South Ext 4 and 5 Toilet structures PII | 141 | 1,700,00 | 239,700,00 |
| 9 | Soshanguve South Ext 4 and 5 Toilet structures PII | 1346 | 2,400,00 | 3,230,400,00 |
| 10 | Soshanguve South Ext 8 and 9 Toilet structures | 2040 | 2,500,00 | 5,100,000,00 |
| 11 | Soshanguve Block MM Planning | 1345 | 800,00 | 1,076,000,00 |
| 12 | Soshanguve Block Y Ext 1 Planning | 205 | 800,00 | 164,000,00 |
| 13 | Soshanguve Block X Ext 1 Planning | 510 | 800,00 | 408,000,00 |
| 14 | Soshanguve Block V Ext 1 Planning | 1071 | 800,00 | 856,800,00 |
| 15 | Soshanguve Block HH,JJ,GG School sites Planning and Design | 484 | 2,200,00 | 1,064,800,00 |
| 16 | Soshanguve Block X,Y,V,T School sites Planning and Design | 766 | 2,200,00 | 1,685,200,00 |
| 17 | Soshanguve Erf 504 and 1266 Block T (Skierlik) Water | 422 | 3,700,00 | 1,561,400,00 |
| 18 | Soshanguve Erf 504 and 1266 Block T (Skierlik) Sewer | 422 | 4,300,00 | 1,814,600,00 |
| 19 | Soshanguve Erf 504 and 1266 Block T (Skierlik) Planning and Design | 422 | 2,200,00 | 928,400,00 |
| 20 | Soshanguve Block SS Ext 5 Water | 929 | 4,717.50 | 4,382,557.50 |
| 21 | Soshanguve Block SS Ext 5 Sewer | 219 | 5,482.50 | 1,199,700,00 |
| 22 | Soshanguve Block SS Ext 5 Stormwater | 929 | 3,953,00 | 3,672,337,00 |
| 23 | Soshanguve Block SS Ext 5 Planning and Design | 929 | 2,200,00 | 2,043,800,00 |
| 24 | Soshanguve Block P and R School sites Planning and Design | 530 | 2,200,00 | 1,166,000,00 |
| 25 | Soshanguve South Ext 1 Mineral Claim Area | 389 | 2,200,00 | 855,800,00 |
| 26 | Soshanguve South Ext 11 Water | 1227 | 3,500,00 | 4,294,500,00 |
| 27 | Soshanguve South Ext 11 Planning | 1227 | 600,00 | 736,200,00 |
| | | | | **56,720,162.50** |

### Job Creation

The annual target was to create 330 medium term jobs. This was reduced to 250 in line with the decreased available capital.

### Community Liaison

Meetings and interaction with the community took place monthly. The Board Members of Civirelo water have been to Soshanguve as part of the project monitoring and assessment process.

### Serviced Sites

The total infrastructure developed and installed can be summarised as follows;

Total amount of erven planned and surveyed 0

| | |
|---|---|
| Total amount of erven serviced with a water connection | 250 |
| Total amount of erven serviced with a sewer network | 50 |
| Total amount of erven serviced with roads and stormwater drainage. | 8500 |

### Employment Equity

The majority of contracts were executed with emerging contractors and local labour. The board of directors is 75% from designated target in terms of the City of Tshwane's Employment Equity plan.

### Public safety

External consultants were appointed as safety agents for the company to assist compliance with the Occupational Health and Safety Act.

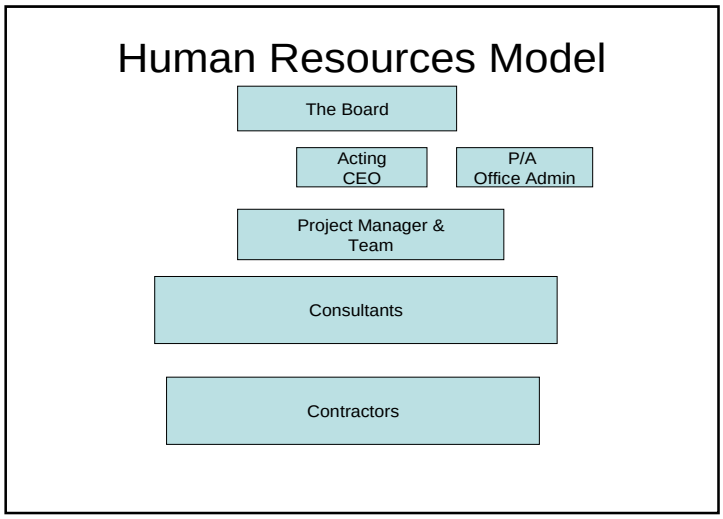
### Corporate Social Investment

The main objective of this initiative was to plough back to communities and become part of organisations that develop communities they operate in. The board of Civirelo allocated R2 m for the year towards corporate social investment. The majority of fund was spent on funding university students who were unable to obtain financial support for their studies. Civirelo funded 56 students.

## 6.3.3 HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

The management is done by the Board of Directors with the assistance of external consultants. Civirelo has two permanent staff members. The rest of the team comprises outsourced human resources. The two permanent staff members are:

- The Acting CEO; Highest Qualification; Masters Degree.
- The PA. Highest Qualification; University Degree (resigned)



| Description | CEO | PA | Directors |
|---|---|---|---|
| Salaries | 1 608 000,00 | 165 000,00 | 392 000,00 |
| Normal | | | |
| Overtime | | | |
| Contributions to pension and medical aid | NIL | NIL | NIL |
| Allowances | NIL | NIL | NIL |
| No other benefits | | | |
| Arrears owed to municipality | NIL | NIL | NIL |
| | | | |

www.tshwane.gov.za